



**UNION  
COUNTY**  
north carolina

# Annual Comprehensive Financial Report

Fiscal Year Ended  
June 30, 2023



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# Union County, North Carolina

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## Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023

Prepared by  
**Finance Department**



Union County, North Carolina  
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# Introductory Section

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October 31, 2023

To the Honorable Members of the Board of Commissioners, and Residents of Union County:

### ***Introduction***

We are pleased to provide to the Board of County Commissioners and the Residents of Union County the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. The Annual Comprehensive Financial Report provides users with insight into the financial operations and condition of the County from the preceding fiscal year. In this document you will find financial statements, demographic and financial data, compliance reports, auditor's opinions, and other information.

The transmittal letter, which is not audited but reviewed by the auditors, provides context for the financial statements, and serves as a financial condition scorecard. The information included in the transmittal provides a bridge to the upcoming financial planning/budgetary cycle. It is the management's hope that the information in the transmittal letter provides a complete financial picture. The transmittal includes the compliance discussion, a county profile, a discussion of debt and fiscal indicators, management comments on the County's financial condition, upcoming events and major initiatives, and finally awards and acknowledgements.

### ***Compliance Discussion***

Laws of the State of North Carolina, along with policies and procedures of the North Carolina Local Government Commission, require all local governments in the State to publish a complete set of annual financial statements. The financial statements are presented in conformity with generally accepted accounting principles (GAAP) in the United States of America and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to those requirements, we hereby issue the annual financial report of Union County (the County) for the fiscal year ended June 30, 2023.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of the information contained in this report. To provide a reasonable basis for making these representations, County management has established a comprehensive framework of internal controls that are designed to both protect the government's assets from loss, theft, or misuse and to compile sufficiently reliable information for the preparation of the County's financial statements. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Cherry Bekaert LLP, a firm of licensed certified public accountants, has issued an unmodified opinion on Union County's financial statements for the year ended June 30, 2023. The report of the independent auditor is located at the front of the financial section. The audit also meets the requirements of the Federal Single Audit Act Amendment of 1996, the State Single Audit Act, and N.C.G.S. §159-34. The reports required by these Acts are submitted as separate reports, which include the schedules of financial assistance, findings and questioned costs, and the independent auditor's report on internal control and compliance.

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Management’s discussion and analysis (MD&A) immediately follows the report of independent auditor and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

### ***County Profile***

Union County, established in 1842, is in the south-central portion of North Carolina adjacent to Charlotte/Mecklenburg County and borders South Carolina. The County occupies approximately 643 square miles and serves an estimated 254,070 residents.

The County operates under a Commission-Manager form of government. The governing body of the County is the Board of County Commissioners, which formulates policies for the administration of the County. In addition, the Board annually adopts a balanced budget and establishes tax rates for the support of County programs. The Board consists of five commissioners, elected on a staggered basis for terms of four years.

The County Manager is appointed by and serves at the pleasure of the Board as the County’s Chief Executive Officer. The County Manager has appointive and removal authority over county employees. The County Manager is responsible for the daily operations of the County Government. In addition, the Manager’s responsibilities include implementation of policies established by the Board of County Commissioners, as well as the administration of the annual adopted budget.

The County provides a wide range of services including public safety, human services (Social Services, Health, Veterans' Services and Transportation), funding for education, cultural and recreational activities, and general administration. Additionally, the County owns and operates water, sewer, and solid waste systems. The annual financial report includes all funds of the County and all activities considered to be a part of (controlled by or dependent on) the County.

The Board of County Commissioners adopts an annual budget for the fiscal year no later than July 1. The budget serves as the foundation for the County’s financial planning and fiscal control. As required by the North Carolina Budget and Fiscal Control Act, the Board of County Commissioners adopt an annual budget for all governmental and proprietary operating funds except those authorized by project ordinance, which are multi-year in nature.

Appropriations to the various funds are formally budgeted, in FY 2023 on a fund level by function and at the fund level for the special revenue funds, and on a program basis for capital project (multi-year) funds. The Board approves budget amendments that increase the total appropriation of any fund. For expenditure control purposes, the budget is monitored and controlled on a division and line-item level.

### ***Local Economy Debt and Fiscal Indicators***

The overall economic and debt indicators for the County reflect a positive trend. They are trending in favor of the County and the residents. The County recovered from the COVID-19 pandemic and continues to see growth trends rising.

Contributing to the County’s growth during the past decade is its proximity to the City of Charlotte and Mecklenburg County, which contain the largest population in the State and comprise the major urban center of North Carolina’s piedmont crescent. The County’s diverse economic base and the interdependence of the Charlotte-Gastonia-Concord Metropolitan Statistical Area or MSA are major factors that have contributed to the County’s rapid growth during the previous decade.

In a review of the Case Shiller Index- Charlotte, since 2019 the housing prices have grown by 61.34 percent, reflecting increasing consumer confidence and sales prices. This is particularly impactful in Union County because the tax base is predominantly residential detached single-family housing units. A quick look at assessed value on January 1, 2022, shows us that 76.64 percent of the assessed value in Union County comes from residential property; this is up from 72 percent in 2019. The County's total assessed value continues to see significant growth within FY 2023, reflecting the new values from the 2022 revaluation. This growth added 4.73 percent to the total assessed value. This strong growth in assessed value and the related revenue growth has had a direct impact on the ability of the Board of County Commissioners to manage the tax rate.

The County's economic indicators were trending in a positive direction at the end of 2023. The County has a multitude of factors influencing its strong financial condition, including a low unemployment rate, and a diverse economy. The County's economic profile is a mixture of manufacturing, agribusiness, aerospace, service industries, health care, and educational institutions.

Current debt and economic indicators show the County's strong ability to fund the ongoing, day-to-day operations, including funding for law enforcement, schools, fire departments, EMS, libraries, water and sewer services and other services. While the County's position remains strong, this trend will continue to be monitored and if a decline occurs, it will indicate the need to take corrective action.

### ***Long-Term Financial Planning***

While the County is fiscally sound and has enough resources to withstand economic downturn, the County continues to have a relatively high debt burden. The impact of this can be seen in the debt service burden, with every dollar of operating revenue generated in the general fund, 13.1 percent goes toward debt service. This is compounded by the fact that the debt the County carries is largely on assets that it does not own.

The Board continues to indicate that it will be vigilant in its policy consideration and focus on continued, strategic decisions that promote economic growth and manage the long-term liabilities of the County while continuing to focus on reducing the long-term debt portfolio and paying off debt. At the end of FY 2023, the County's outstanding debt is \$872,249,000, an increase from the FY 2022 outstanding debt of \$787,698,000. In April of FY 2023, the County refunded the 2013 Limited Obligation Bonds, seeing an estimated yearly savings of \$164,000 for the remaining life of the bond. Also, in May 2023, the County issued \$134 million of general obligation school debt.

The debt burden ratio has seen a reduction of 2.6 percent from 2019. This positive trend is reflective of the continued revenue growth in the County and the Board of County Commissioners' conservative approach on issuing new debt. Based on the Board of County Commissioners' adopted policy of adding additional tax rate to support new voter approved debt, the debt fund was created, and an ad valorem tax rate has been established to fund the debt service for the all-County general debt.

The debt per capita indicator measures the changes in long-term debt in relationship to the changes in population. In theory, the debt per capita information demonstrates each person in Union County's fair share of the general government debt. The Debt Per Capita increased by \$310 per person during the last year; however, the County's outlook in handling debt remains positive.

### *Management Comments on Financial Condition*

The indicators and financial data provided through the Annual Comprehensive Financial Report for the Year Ended June 30, 2023, provides a solid footing for the long-term financial planning of the organization. This information can help inform the Board of County Commissioner and management's policymaking process. In addition, this information serves as an evaluative tool for other users of financial information and the financial markets. Several overarching comments or observations can be made concerning the County's financial condition.

- The County's ad valorem tax base is strong. While residential property is the largest component (approximately 85%), all indicators point to continued strong growth. The County completed a countywide reappraisal of effective January 1, 2021, which resulted in approximately a 30% increase in the ad valorem tax base. This strong growth and value indicate that the County will still have enough resources in the future to provide services and meet its obligations.
- The County's expenditures are well managed. As the County emerged from the COVID pandemic, it resisted the temptation to aggressively add back services and expand government costs. The Board of County Commissioners chose instead to remain at the current tax rate and minimize the growth in the services. This is evident in the limited growth in expenditures per capita. The Board has focused on adding services as service demand has presented itself, with the growth primarily occurring in public safety, human services, and education.
- The County has a strong working relationship with its community partners. Counties in North Carolina function as part of the governance environment. The County works with non-profits and other entities to provide economic development, fire services, emergency medical services, and hospital services. In addition, the County works closely, as a primary funding source, with Union County Public Schools and South Piedmont Community College. It's through this intertwined approach that the County and these groups can provide efficient and effective services to the community and reduce duplications where possible.
- The County's financial policy decisions are positively influencing its financial position. During FY 2023 the Board of County Commissioners continued its focus on sound financial policy making. The fund balance policy limits the use of one-time resources to one-time expenditures. On the surface this policy may not appear as impactful, however, the long-term implications are significant. Through this commitment to sustainability, the Board ensures that the ongoing costs of the organization are funded through ongoing revenues. In addition, the use of savings from prior years has been used to address the County's capital needs, allowing for limited debt issuances and a greater level of pay-as-you-go funding.
- The County's debt portfolio is well managed. Through a combination of aggressively reworking the debt portfolio to minimize risk and interest cost and prudent debt issuances, the County has seen its long-term direct debt portfolio continue to remain positive. Comparing the long-term direct debt as a percentage of assessed value, the County has gone from 1.17 percent in FY 2018 to just 1.08 percent in



FY 2023. This indicates that the County has the capacity to issue new voter approved debt without negatively affecting its ability to pay.

Secondly, the commitment to fund the actuarially required contribution to the OPEB trust has a lasting influence on the employee legacy costs of the organization. The commitment to pay now, versus a pay-go strategy later, provides financial flexibility for future Boards and the County. This again demonstrates the continued commitment to the long-term sustainability of the organization.

These are just a few of the highlights from the Annual Comprehensive Financial Report. A wealth of financial operational information can be gleaned from the report. The common theme that is clear is the strong financial position of the County is a result of the commitment from the Board and management to fiscal prudent policy making and a commitment to the long-term financial sustainability of the organization.

### *Upcoming Events and Major Initiatives*

Beyond the long-term financial planning and the look back at the financial results for FY 2023, several significant events and initiatives will occur during the upcoming year FY 2024.

- The general fund capital improvement projects adopted for FY 2024 include several major capital facility infrastructure projects on behalf of the Union County Public Schools, South Piedmont Community College, the Union County Sheriff Department and both the Judicial and Government Centers.
- During FY 2024, Union County will open the Southwest Regional Library, incorporating the current Waxhaw Library and expanding to service the communities of Marvin, Mineral Springs, Waxhaw, Weddington and Wesley Chapel. This new regional library was a voter-approved investment.
- Solid Waste launched a new “Trash Pass” program allowing county residents to dispose of a limited amount of household waste for free.
- Union County Water \$300 million, Yadkin River Supply project has completed construction. The County entered into the final design build contracts in July of 2020 for both the Raw Water Intake, Water Treatment Plant and Finished Water Lines. The Yadkin River Supply project is mostly funded through Water and Wastewater System revenue bonds. The County issued revenue bonds in the spring of 2021 for the Yadkin River Supply and other various water and sewer capital projects. This project will be completely operational in the fall of 2023.

Additional information concerning new initiatives can be found on the, [Union County's Budget Department webpage](#).

### *Awards and Acknowledgements*

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Union County for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This is the 13<sup>th</sup> consecutive year in which the County has received this recognition. To be awarded a Certificate of Achievement, the government was required to publish an easily

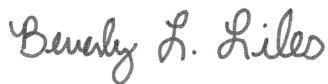
readable and efficiently organized Annual Comprehensive Financial Report that satisfied both generally accepted accounting principles and applicable program requirements. The GFOA award is valid for a period of one year.

Each of the County's departments maintain a strong commitment to the goals, vision and mission statements of the County and this is reflected in its provision of services to the citizens of Union County. We appreciate the cooperation of all County departments in conducting financial activities, including the preparation of this report.

Preparation of this report would not have been possible without the combined dedicated efforts of the Finance Staff. Special thanks are extended to Ebru Cukro, who led this project. Acknowledgements also go out to Trina Horne, Alex Whitaker, Haley Smith, Brady Chaffin, Shannon McDonald, Heather Howey and Mia Griffin who compiled, edited and reviewed information included in the County's Annual Comprehensive Financial Report.

We also wish to express appreciation to the Board of County Commissioners, County Manager, Brian Matthews, Deputy County Manager, Patrick Niland, and Assistant County Manager, Clayton Voignier and for their continued support.

Respectfully submitted,



Beverly L. Liles  
Finance Director



Amy L. Hollingsworth  
Assistant Finance Director

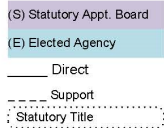
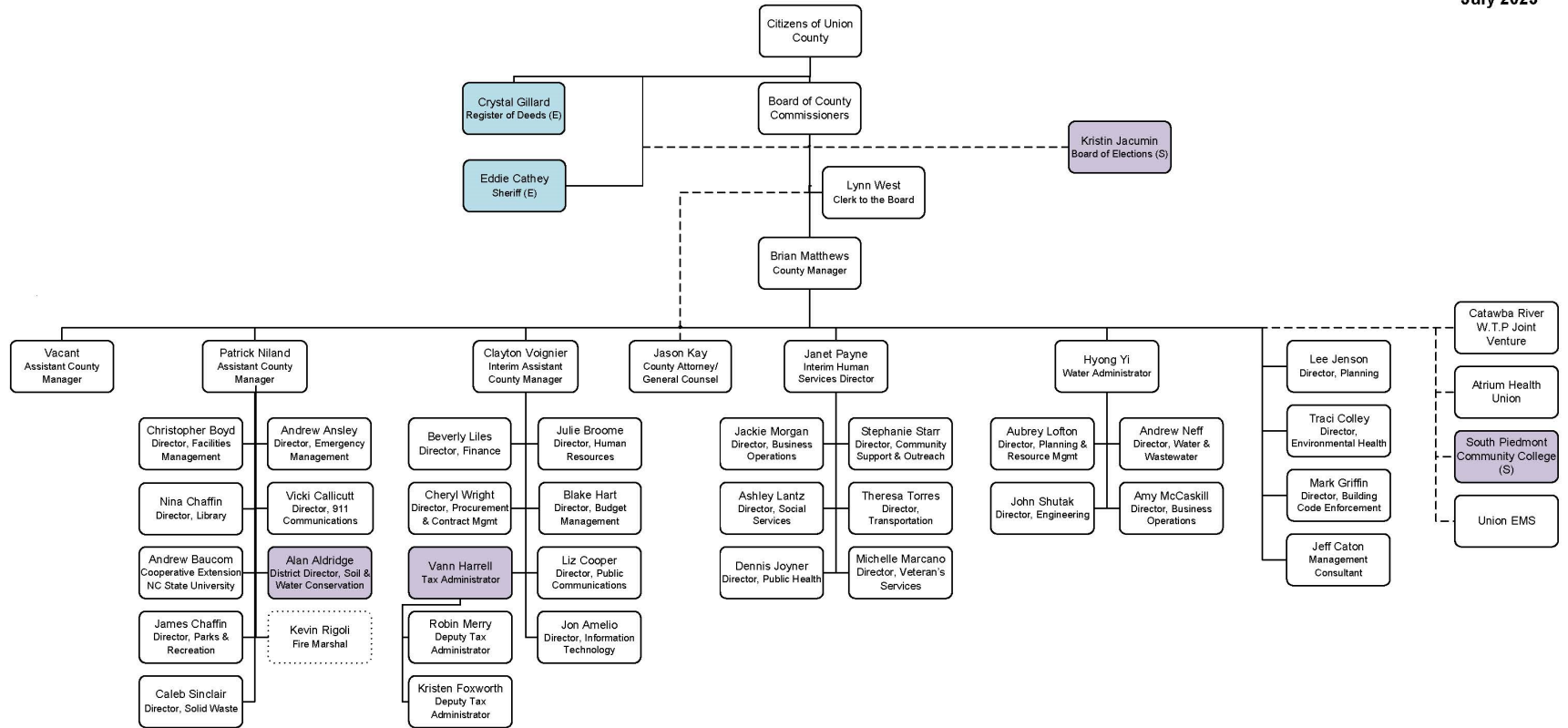
Union County, North Carolina  
**List of Principal Officials**  
June 30, 2023

Board of County Commissioners

Stony Rushing, Chairman  
Melissa Merrell, Vice-Chairman  
Brian Helms  
Richard Helms  
David Williams

County Officials

Brian Matthews	County Manager
Patrick Niland	Assistant County Manager
Clayton Voigner	Interim Assistant County Manager
Lynn G. West	Clerk to the Board
Jason Kay	County Attorney/General Counsel
Crystal Gillard	Register of Deeds
Eddie Cathey	Sheriff
Kristin Jacumin	Board of Elections
Julie Broome	Human Resources Director
Jeffrey Caton	Management Consultant
Lee Jenson	Planning Director
Mark Griffin	Building Code Enforcement Director
Traci Colley	Environmental Health Director
Hyong Yi	Public Works Administrator
Jon Amelio	Information Technology Director
Liz Cooper	Public Communications Director
Michelle Marcano	Veterans Services Director
Ashley Lantz	Social Services Director
Janet Payne	Interim Human Services Director
Dennis Joyner	Public Health Director
Beverly Liles	Finance Director
Vann Harrell	Tax Administrator
Andrew Baucom	Cooperative Extension Director
Nina Chaffin	Library Director
Kevin Rigoli	Fire Marshal
Andrew Ansley	Emergency Management Director
Vicki Callicutt	Emergency Communications Director
James Chaffin	Parks & Recreation Director
Alan Alridge	Soil & Water Conservation District Director





Government Finance Officers Association

Certificate of  
Achievement  
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**Union County  
North Carolina**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morrill*

Executive Director/CEO



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# Financial Section

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## Report of Independent Auditor

To the Board of County Commissioners  
Union County, North Carolina

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Union County, North Carolina (the "County") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (MD&A) and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining and individual fund statements, as listed in the table of contents, and schedule of expenditures of federal and state awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules and the schedule of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County, as of and for the year ended June 30, 2022 (none of which is presented herein), and we expressed unmodified opinions on those basic financial statements. Those audits were conducted for purposes of forming an opinion on the basic financial statements as a whole. The accompanying combining and individual fund statements are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*. In our opinion, the accompanying combining and individual nonmajor fund financial statements and schedules is fairly stated in all material respects in relation to the financial statements from which it has been derived.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2023, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

*Cherry Bekaert LLP*

Charlotte, North Carolina  
October 31, 2023



## Management's Discussion and Analysis

As management of Union County (the "County"), we offer readers of Union County's financial statements narrative overview and analysis of the financial activities of Union County for the fiscal year ended June 30, 2023. We encourage readers to read the information presented here in conjunction with additional information furnished in the letter of transmittal, which begins on page A3 of this report, and the County's financial statements, which follow this narrative.

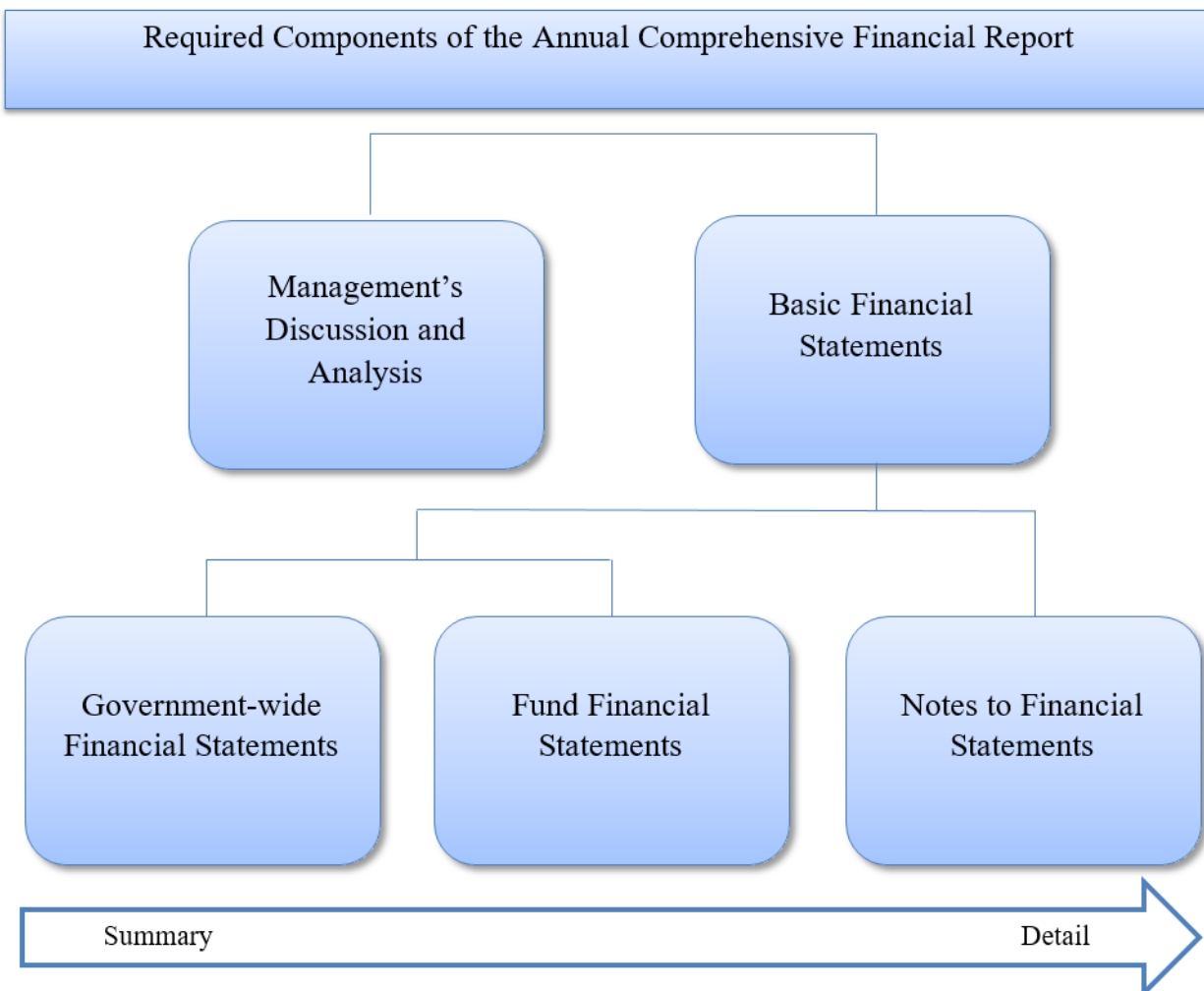
### **Financial Highlights**

- The assets and deferred outflows of resources exceeded the liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$432,152,912 (*net position*), an increase of \$87,128,882.
- Union County's governmental activities' total a net position of \$3,260,856. In accordance with North Carolina general statutes, the County is financially responsible for funding school facilities and the issuance of any debt in connection with school facilities; however, since school assets are not reflected in the County's financial statements, school capital improvements are expended annually. Normally, this results in a deficit net position; however, net position increased by \$56,409,144 in governmental activities for FY 2023.
- At the close of the current fiscal year, Union County's governmental funds reported combined fund balances of \$405,073,039, an increase of \$167,275,202 in comparison with the prior year. Approximately 7.2 percent of this amount \$29,062,767 is available for appropriation at the County's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, the unrestricted fund balance (the total of the *committed*, *assigned*, and *unassigned* components of *fund balance*) for the general fund was \$135,924,812, or approximately 40.8 percent of total general fund expenditures for FY 2023.
- Union County's total outstanding long-term debt increased by \$84,559,000 or 10 percent during the current fiscal year. The key factors in this change in the debt balance were annual debt service payments, a new general obligation school bond issuance and refunding of a limited obligation bond.
- Union County maintained its ratings to Aaa/AAA/AAA on the general obligation bond ratings. Union County's enterprise system revenue bonds maintained its AA+/AA bond ratings from Standard & Poor's and Fitch, respectively.

### **Overview of the Financial Statements**

The management's discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see figure 1). The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other

supplemental information that will enhance the reader's understanding of the financial condition of Union County.



**Basic Financial Statements**

The first two statements (Exhibits A & B) in the basic financial statements are the **Government-Wide Financial Statements**. They provide both short and long-term information about the County's financial status.

The next statements (Exhibits C through L) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County's non-major governmental funds and internal service funds, each of which are added together in separate

columns on the basic financial statements. Budgetary information required by the North Carolina General Statutes also can be found in this part of the statements.

Following the notes is the required supplemental information. This section contains funding information about the County's pension plans.

### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County's financial status as a whole.

The *statement of net position* presents financial information on all of the County's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide statements are divided into two categories: 1) governmental activities and 2) business-type activities. The governmental activities include most of the County's basic services such as public safety, human services, education, cultural and recreational, general government, and economic and physical development. Property taxes, local option sales taxes, and state and federal grant funds finance most of these activities. The business-type activities are those the County charges customers to provide. These include the water, sewer and solid waste services offered by Union County.

The government-wide financial statements are on Exhibits A & B of this report.

### **Fund Financial Statements**

The fund financial statements provide a more detailed look at the County's most significant activities. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Union County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or noncompliance) with finance-related legal requirements, such as the North Carolina General Statutes or the County's budget ordinance. All of the County's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds** – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*. This method also has a current financial resources focus. As a result, the governmental fund financial statements

give the reader a detailed short-term view that helps to determine if there are more or less financial resources available to finance the County's programs. The relationship between government activities (reported in the *Statement of Net Position* and the *Statement of Activities*, Exhibits A and B) and governmental funds (Exhibits C and E) is described in reconciliations (Exhibits D and F) that are a part of the fund financial statements.

Union County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The *budgetary comparison statement* uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

**Proprietary Funds** – Union County maintains two different types of proprietary funds, Enterprise and Internal Service. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Union County uses enterprise funds to account for its water and sewer activity and solid waste activity.

*Internal service funds* are an accounting mechanism used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for health benefits, worker's compensation and property and casualty insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included within the *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer and Solid Waste operations. Conversely, the internal service funds are combined in a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statements, in the combining and individual fund statements and schedules section of this report.

The basic proprietary fund financial statements can be found in Exhibits H through J of this report.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Union County maintains five different fiduciary funds. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the County's own programs. The accounting method used for fiduciary funds is much like that used for proprietary funds.

Union County maintains two different types of fiduciary funds; *pension trust funds* and *custodial funds*. Two *Pension Trust Funds* are used to report resources held in trust for qualified County



retirees covered by the Special Separation Allowance Fund and the Other Postemployment Retiree Healthcare Benefits (OPEB) Fund.

The *Custodial Funds* report resources held by Union County in a custodial capacity for individuals, private organizations, or other governments. These funds include the Jail Inmate Fund, Municipal Tax Collection Fund, and Gross Rental Receipts Tax Fund.

The basic fiduciary fund financial statements can be found in Schedules 57 and 58 of this report.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page C15 of this report.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain *required supplementary information* concerning Union County's progress in funding its obligation to provide special separation allowance benefits, pension benefits and other postemployment retiree healthcare benefits (OPEB) to its retired employees. Required supplementary information can be found beginning on page D-1 of this report.

The combining statements referred to earlier in connection with non-major governmental funds, internal service funds, and fiduciary pension trust and custodial funds are presented immediately following the required supplementary information on pensions and OPEB. Combining and individual fund statements and schedules can be found on Schedules 1 through 17 of this report.

### ***Government-Wide Financial Analysis***

As noted earlier, net position may serve over time as a useful indicator of a government's financial condition. The assets and deferred outflows of resources exceeded the liabilities and deferred inflows of resources by \$432,152,912 as of June 30, 2023. Reflected in the deferred outflows were contributions to the pension plans as well as deferred swap termination. Deferred Inflows reflected leases, Medicaid Expansion, and deferred gain of debt refunding. One of the largest portions, \$321,277,719, reflects the County's net investment in capital assets (e.g. land, buildings, machinery, equipment, vehicles, right to use assets and infrastructure) less any related outstanding debt that was issued to acquire those assets. The increase in capital assets in FY 2023 over FY 2022, is contributed to opening new County facilities, as well as recognizing right to use subscription assets. Union County uses capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although Union County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Union County's net position, \$227,893,817, represents resources that are subject to external restrictions on how they may be used. The remaining deficit balance of \$117,018,624 is unrestricted.

At the end of the current fiscal year, Union County reports a negative balance unrestricted category of net position for governmental activities and positive balances for business-type activities. The same situation held true in prior fiscal years.

	Net Position					
	June 30, 2023 and 2022					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$ 620,158,045	\$ 487,609,559	\$ 269,178,799	\$ 394,601,365	\$ 889,336,844	\$ 882,210,924
Capital Assets	159,859,545	146,646,218	666,745,766	540,944,885	826,605,311	687,591,103
Total Assets	780,017,590	634,255,777	935,924,565	935,546,250	1,715,942,155	1,569,802,027
Total Deferred Outflows of Resources	61,742,902	50,080,683	9,355,435	6,606,122	71,098,337	56,686,805
Long-Term Liabilities	555,997,766	425,179,464	471,343,218	483,982,323	1,027,340,984	909,161,787
Other Liabilities	96,286,833	119,592,472	41,264,147	55,119,003	137,550,980	174,711,475
Total Liabilities	652,284,599	544,771,936	512,607,365	539,101,326	1,164,891,964	1,083,873,262
Total Deferred Inflows of Resources	186,215,037	192,712,812	3,780,579	4,878,728	189,995,616	197,591,540
Net Position:						
Net investment in capital assets	67,197,900	50,651,906	254,079,819	242,855,607	321,277,719	293,507,513
Restricted	227,642,813	89,263,583	251,004	4,741,596	227,893,817	94,005,179
Unrestricted	(291,579,857)	(193,063,777)	174,561,233	150,575,115	(117,018,624)	(42,488,662)
Total net position	\$ 3,260,856	\$ (53,148,288)	\$ 428,892,056	\$ 398,172,318	\$ 432,152,912	\$ 345,024,030

As with many counties in the State of North Carolina, the County's Governmental Activities deficit in unrestricted net position in the amount of \$291,579,857 is due primarily to the portion of the County's outstanding debt incurred for the Union County Board of Education (the "school") and the South Piedmont Community College (the "community college"). Under North Carolina general statute, the County is responsible for providing capital funding for the school and community college systems. The County has chosen to meet its legal obligation to provide the systems' capital funding by using a mixture of County funds, general obligation debt and installment financing. The assets funded by the County, unless otherwise obligated, are titled to, and utilized by the school and community college systems. Since the County, as the issuing government, acquires no capital assets, the County has incurred a liability without a corresponding increase in assets.

Though the County has a negative unrestricted net position, the County's finances continue to be strong. Overall assets and deferred outflows increased from FY 2022, contributing to this is a strong property tax revenue, as well as deferred outflows related to the County's pension plans and deferred swap termination in both the governmental and business type activities. The County's property tax collection rate is at 100%. During FY 2023, the County opened two new public safety facilities; the Union County Sheriff Building and the Emergency Services Complex. Union County Water also completed the Yadkin project. The completion of these projects increased the overall value in capital assets by \$139,014,208 in FY 2023.

Long term liabilities increased \$118,179,197 from FY 2022. This is reflected in the liabilities for the County's pension plans including the Local Government Employees Retirement System with a net liability of \$55,424,774, OPEB with a net liability of \$37,890,123 and a net liability of \$13,968,483 in the Separation Allowance Fund. Other liabilities include due to other governments, grant funding from the American Rescue Plan Act (ARPA), is included in this category. The deferred inflows in FY 2023 decreased compared to FY 2022.

The County's overall net position increased \$87,128,882 from the prior fiscal year. Key elements of this increase are included below:

Union County, North Carolina Changes in Net Position June 30, 2023 and 2022						
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for Services	\$ 25,380,255	\$ 42,819,993	\$ 88,933,564	\$ 82,942,607	\$ 114,313,819	\$ 125,762,600
Operating grants and contributions	68,495,234	38,799,055	4,706,371	12,888	73,201,605	38,811,943
Capital grants and contributions	-	-	12,395,716	22,093,752	12,395,716	22,093,752
<b>General Revenues:</b>						
Property taxes	240,724,747	230,345,003	-	-	240,724,747	230,345,003
Other taxes	78,365,081	74,663,623	-	-	78,365,081	74,663,623
Grants and contributions not restricted to a specific purpose	130,927	308,131	-	-	130,927	308,131
Other	10,897,742	9,026	4,823,111	(649,015)	15,720,853	(639,989)
<b>Total Revenues</b>	<b>423,993,986</b>	<b>386,944,831</b>	<b>110,858,762</b>	<b>104,400,232</b>	<b>534,852,748</b>	<b>491,345,063</b>
<b>Expenses:</b>						
General government	33,886,683	35,354,835	-	-	33,886,683	35,354,835
Public safety	92,602,509	69,232,976	-	-	92,602,509	69,232,976
Economic and physical Environment	5,585,773	9,308,379	-	-	5,585,773	9,308,379
Human Services	59,608,975	53,295,379	-	-	59,608,975	53,295,379
Cultural and recreational	8,691,375	5,507,578	-	-	8,691,375	5,507,578
Education	150,878,680	145,593,143	-	-	150,878,680	145,593,143
Interest and fees on long-term debt	16,330,847	12,714,619	-	-	16,330,847	12,714,619
Water and sewer	-	-	70,410,768	66,136,936	70,410,768	66,136,936
Solid waste	-	-	9,728,256	9,020,044	9,728,256	9,020,044
<b>Total Expenses</b>	<b>367,584,842</b>	<b>331,006,909</b>	<b>80,139,024</b>	<b>75,156,980</b>	<b>447,723,866</b>	<b>406,163,889</b>
Excess (deficiency) or revenues over (under expenditures)	56,409,144	55,937,922	30,719,738	29,243,252	87,128,882	85,181,174
Transfers	-	-	-	-	-	-
<b>Change in net position</b>	<b>56,409,144</b>	<b>55,937,922</b>	<b>30,719,738</b>	<b>29,243,252</b>	<b>87,128,882</b>	<b>85,181,174</b>
Net position as of July 1	(53,148,288)	(106,005,710)	398,172,318	364,574,221	345,024,030	258,568,511
Prior period restatement	\$ -	\$ (3,080,500)	\$ -	\$ 4,354,845	\$ -	\$ 1,274,345
<b>Net position as of June 30</b>	<b>\$ 3,260,856</b>	<b>\$ (53,148,288)</b>	<b>\$ 428,892,056</b>	<b>\$ 398,172,318</b>	<b>\$ 432,152,912</b>	<b>\$ 345,024,030</b>

**Governmental Activities** – During the current fiscal year, net position for governmental activities increased by \$56,409,144, to reach a balance of \$3,260,856. This is due primarily to previously mentioned increase in restricted cash from bonds issued, decrease in OPEB liability, increase in LGERS liability, outstanding debt related to the school and community college, increased revenue in operating grants and contributions, savings in the internal service fund and the contributions made for other post-employment benefits. The County also recognized an increase in property taxes due to an increase in property tax values, as well as a higher yielding investment earnings compared to FY 2022.

The majority of the County's expenses are related to education, \$150,878,680 (41.0 percent); public safety, \$92,602,509 (25.2 percent); and human services, \$59,608,975 (16.2 percent).

FY 2023 Program Revenues and Expenses - Government Activities							
	General Government	Public Safety	Economic and Physical Development	Human Services	Culture and Recreation	Education	Interest and Fees on Long-Term Debt
Program Revenues	\$ 28,700,614	\$ 11,193,595	\$ 1,321,924	\$ 32,042,732	\$ 1,327,663	\$ 19,288,961	\$ -
Expenses	\$ 33,886,683	\$ 92,602,509	\$ 5,585,773	\$ 59,608,975	\$ 8,691,375	\$ 150,878,680	\$ 16,330,847

**Business-type Activities** – For Union County’s business-type activities, the results for the current fiscal year were positive in that overall net position increased by \$30,719,738 to reach an ending balance of \$428,892,056. The FY 2023 budget reflected an increase of water and sewer revenue based on rate increase as well as a growing customer base that contributed to the necessary funding for capital and operations. The County continues to see an increase in the growing customer base as well the County received state grant funding for operating and capital infrastructure for water and sewer. Solid Waste saw an increase in charges for services over expenses during FY 2023. Also, reflected in the business-type activities was a gain on sales and disposals of capital assets and increase in investment earnings over FY 2022.

The majority of the County’s business-type expenses are related to water and sewer, \$70,410,768 (87.9 percent) and solid waste, \$9,728,256 (12.1 percent).

FY 2023 Program Revenues and Expenses - Business-type Activities			
	Water and Sewer		Solid Waste
Program Revenues	\$	95,904,181	\$ 10,131,470
Expenses	\$	70,410,768	\$ 9,728,256

**Financial Analysis of the County’s Funds**

As noted earlier, Union County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds** – The focus of Union County’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County’s financing requirements. In particular, unassigned fund balance (fund balance available for appropriation), may serve as a useful measure of a government’s net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, Union County itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by Union County’s Board of Commissioners.

At June 30, 2023, Union County’s governmental funds reported combined fund balances of \$405,073,039, an increase of \$167,275,202 in comparison with the prior year. Approximately 7.2 percent of this amount \$29,062,767 constitutes *unassigned fund balance*, which is available for appropriation at the Board of County Commissioners' discretion. The remainder of the fund balance is either *nonspendable*, *restricted*, *committed*, or *assigned* to indicate that it is 1) nonspendable and not in a spendable form \$61,142, 2) restricted to specific purposes as imposed by law \$226,840,266, 3) committed amounts that can be used only for the specific purposes determined by a formal action of the Board of County Commissioners \$71,391,899, or 4) assigned and intended to be used for specific purposes \$77,716,965.

Governmental Funds Components of Fund Balance for the Fiscal Year Ended June 30, 2023 and 2022				
	2023		2022	
Nonspendable	\$	61,142	\$	50,308
Restricted		226,840,266		88,231,311
Committed		71,391,899		63,282,510
Assigned		77,716,965		60,784,157
Unassigned - other		29,062,767		25,449,551

The General Fund is the chief operating fund of Union County. At the end of the current fiscal year, the County's unassigned fund balance of the General Fund was \$42,363,037, while total fund balance increased by \$32,609,185, from \$135,071,379 to \$167,680,564. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures.

The Board of Commissioners has determined that the County should maintain an available reserved fund balance of 20 percent of total expenditures including regular inter-fund transfers in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County. As of June 30, 2023, the County has a fund balance (based on committed, assigned, and unassigned) of 40.8 percent of general fund expenditures, while total fund balances represent 50.3 percent of that same amount.

General Fund Components of Fund Balance for the Fiscal Year Ended June 30, 2023 and 2022				
	2023		2022	
Nonspendable	\$	61,142	\$	50,308
Restricted		31,694,610		37,204,166
Committed		71,391,899		63,282,510
Assigned		22,169,876		8,270,719
Unassigned - other		42,363,037		26,263,676

During May 2023, Union County issued general obligation school bonds, the unspent bond issuance premiums associated with these bonds were restricted in use and not spent within the fiscal year. In addition to the change in Restricted Education Fund Balance, the increase in FY 2023 fund balance is primarily due to the County's Local Option Sales Tax and Ad Valorem collections being higher than estimated, unspent American Rescue Plan Act (ARPA) revenue replacement funds, as well as operating cost decreased for departments in Economic and Physical Development. Overall, Health Claims decreased and investment earnings increased compared to the prior year.

The General Special Revenue Fund saw an increase of \$1,763,947 in the overall fund balance in FY 2023. The majority of this increase is related to investment earnings that are unspent that were generated on unspent ARPA funding.

The fund balance of the General Capital Project Fund, a major fund, had a net increase of \$132,532,303 to \$228,556,763. There were \$47,992,142 of capital and related expenditures during the current fiscal year. There were \$31,110,532 in transfers from other governmental

funds and bond issuance proceeds of \$146,109,446 from Series 2023 Schools General Obligation Bonds which represents the majority of the net increase in fund balance.

**Proprietary Funds** – Union County’s proprietary funds provide the same type of information found in the government-wide statements but in more detail.

Unrestricted net position of the Water and Sewer Fund at the end of the year was \$167,261,329; an increase of \$22,864,197. The overall net position of the Water and Sewer Fund increased by \$29,684,541 to \$417,735,373. A portion of the net position, net investment in capital assets, increased by \$11,310,936 to \$250,223,040.

Unrestricted net position of the Solid Waste Fund at the end of the year was \$7,241,422; an increase of \$801,419. The increase in the unrestricted net position is related to an increase in revenue collections.

**General Fund Budgetary Highlights**

**Original Budget Compared to Final Budget** – During the year the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

The General Fund final budget for expenditures increased \$9,160,098 primarily due to increases in public safety and grant related programs in human services. The General Fund final budget for revenue increased by \$2,230,881, primarily due to an additional grant funding for human services programs.

**Final Budget Compared to Actual Results** – The most significant differences between estimated revenues and actual revenues were as follows:

FY 2023 General Fund Revenue Compared to Estimates			
	Estimated	Actual	Differences
Ad valorem taxes	\$ 220,731,145	\$ 227,726,433	\$ 6,995,288
Local option sales tax	67,669,664	69,967,844	2,298,180
Other taxes and license	4,019,850	4,500,236	480,386
Intergovernmental	47,445,683	41,585,147	(5,860,536)
Permits and fees	6,200,813	5,672,591	(528,222)
Sales and services	6,762,959	6,196,783	(566,176)
Investment earnings	653,744	6,269,133	5,615,389
Miscellaneous	7,616,591	9,277,037	1,660,446

**Capital Assets and Debt Administration**

**Capital Assets** – Union County’s investment in capital assets for its governmental and business-type activities as of June 30, 2023, amounts to \$826,605,311 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, park facilities, right to use leased assets, right to use subscription assets and water

and wastewater infrastructure. The total increase in capital assets for the current fiscal year was approximately 19.8 percent.

Union County, North Carolina Capital Assets (net of depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 19,819,646	\$ 19,819,646	\$ 8,895,834	\$ 4,206,828	\$ 28,715,480	\$ 24,026,474
Buildings	111,717,190	67,658,626	8,400,129	8,693,299	120,117,319	76,351,925
Infrastructure	-	-	-	263,823,008	-	263,823,008
Improvements other than buildings	3,121,228	5,562,329	267,440,349	612,311	270,561,577	6,174,640
Machinery and equipment	13,372,011	8,741,522	6,530,778	6,035,214	19,902,789	14,776,736
Construction in progress	8,263,031	44,423,182	375,326,402	257,574,225	383,589,433	301,997,407
Right to use lease assets	1,520,082	440,913	74,091	-	1,594,173	440,913
Right to use subscription assets	2,046,357	-	78,183	-	2,124,540	-
<b>Total Capital Assets</b>	<b>\$ 159,859,545</b>	<b>\$ 146,646,218</b>	<b>\$ 666,745,766</b>	<b>\$ 540,944,885</b>	<b>\$ 826,605,311</b>	<b>\$ 687,591,103</b>

Major capital asset transactions during the year include:

- Purchase and replacement of public safety vehicles and related mobile data equipment; and replacement of transportation, water and sewer operations, and solid waste operations vehicles
- Finalization of construction of Emergency Services Complex
- Finalization of construction of Sheriff's Office renovation and expansion
- Continuation of construction of Board of Elections
- Continuation of construction of Southwest Union Library
- Continuation of engineering, design and construction of 762 Zone Elevated Storage Tank
- Construction of Short Water Line Extensions
- Continuation of engineering, design and construction of Twelve Mile Creek sewer system expansion
- Continuation of engineering, design and construction of 853 West Pressure Zone improvements
- Continuation of construction of Yadkin River Water Supply water system improvements

Additional information on Union County's capital assets can be found in Note 5 of this report.

**Long-Term Debt** – At the end of the current fiscal year, the County had total debt outstanding of \$872,249,000. Of this amount, \$415,230,000 is debt backed by the full faith and credit of the government. The remainder of Union County's long-term obligations is comprised of certificates of participation, installment financing, limited obligation bonds, and revenue bonds.

Union County, North Carolina Outstanding Debt							
	Governmental Activities		Business-type Activities		Total		
	2023	2022	2023	2022	2023	2022	
General Obligation Bonds	\$ 414,172,000	\$ 311,187,000	\$ -	\$ -	\$ 414,172,000	\$ 311,187,000	
Certificates of participation	29,795,000	36,980,000	-	-	29,795,000	36,980,000	
Installment financing	4,852,000	5,226,000	-	-	4,852,000	5,226,000	
Revenue Bonds	-	-	423,430,000	434,305,000	423,430,000	434,305,000	
<b>Total</b>	<b>\$ 448,819,000</b>	<b>\$ 353,393,000</b>	<b>\$ 423,430,000</b>	<b>\$ 434,305,000</b>	<b>\$ 872,249,000</b>	<b>\$ 787,698,000</b>	

Union County's total outstanding principal debt increased by \$84,551,000 during the past fiscal year. The change is mainly due to annual debt service payments as well as the issuance of General Obligation School Bonds, Series 2023 and the refunding of the Refunding Limited Obligation Bonds, Series 2013.

As mentioned in the financial highlights section of this document, Union County maintained its ratings of Aaa/AAA/AA on the general obligation bonds. The Enterprise System Revenue bond rating for the County was maintained at AA+ from Standard & Poor's Corporation and at Aa1/AA from Fitch Ratings and Moody's Investment Services reduced at Aa2/Aa1. The bond rating is a clear indication of the sound financial condition of Union County. Union County is one of the few counties in the country that maintains high financial ratings from all major rating agencies. This achievement is a key factor in keeping interest costs low on the County's outstanding debt.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Union County is \$2,592,812,160.

Additional information regarding Union County's long-term debt can be found in Note 14 of this report.

### ***Economic Factors and Next Year's Budgets and Rates***

- The following economic factors currently affect Union County and were considered during the development of the FY 2024 budget and rates:
- North Carolina's statewide unemployment rate (not seasonally adjusted) was 3.6 percent in June 2023, decreasing from June's 2022 revised rate of 4.1 percent.
- The North Carolina unemployment rate has declined during the first half of 2023 to 3.3 percent in July.<sup>3</sup> By December of 2023, the state's unemployment rate is expected to rise slightly to 4 percent.
- North Carolina real GDP is forecast to increase by 2.4 percent over the 2023 level. All of the fifteen of the state's economic sectors are expected to experience output increases during 2024. The sectors with the strongest expected growth rates are information with a real increase of 6.0 percent, followed by agriculture with a real increase of 4.5 percent and mining with a real increase of 3 percent.
- North Carolina establishments are forecasted to add 96,900 new jobs during the 2023 year. a net increase of 2.0 percent.
- During fiscal year 2023 there were 597 commercial, and 3793 residential construction permits issued county-wide, compared to fiscal year 2022 of 528 commercial and 5637 residential permits: showing an decrease in the residential number of permits. This trend is anticipated to continue into 2024 with a possible reduction of single-family development permits of 33%. <sup>4</sup>



### ***Budget Highlights for the Fiscal Year Ending June 30, 2024***

Countywide, for FY 2024, estimated revenues and expenditures, including debt service expenditures, are anticipated to increase by 6 percent, or about \$30.6 million, going from \$510.3 million to \$540.9 million.

**Governmental Activities** – Ad Valorem Taxes and Local Option Sales Tax provide the largest portion of funding for Union County. Ad Valorem Taxes are estimated to generate \$230.6 million in FY 2024, largely due to steady growth in the housing market as new residents prove Union County to be a community of choice. This is an increase of 4.5 percent over the FY 2023 amount of \$220.7 million. The tax rate for FY 2024 was set to 58.80 cents. Local sales tax is estimated to increase by \$13.4 million in FY 2024, a 19.8 percent increase.

The Adopted FY 2024 General Fund Budget includes an increase to EMS operations and capital, increasing staff to anticipate Medicaid Expansion requirements, class and compensation adjustments for county employees, funding to open the forthcoming Southwest Regional Library, additional School Resource Officers, UCPS operations and capital, as well as General Fund and Sheriff's Office vehicle replacement. Expenditures in the General Funds (General Fund, General Fund Debt Fund, Economic Development Fund, Education Fund, and the Education Debt Fund) are anticipated to see an overall growth of 5.4% or \$19.6 million.

**Business-type Activities** – User fees provides the majority of revenue sources for business type activities. User fees for water and wastewater are expected to decrease by \$11.3 million dollars in FY 2024 or 10.54%. Expenditures for water and wastewater will decrease mainly due to action taken by the board of county commissioners to reduce water and sewer rates.

It is important to note, as in previous years, the enterprise revenues are used only in the operations of the enterprises and are not used to fund general County operations.

### ***Request for Information***

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or request for additional information should be directed to Beverly Liles, Finance Director/Chief Financial Officer, Union County, 500 N. Main Street, Monroe, North Carolina. You can also call (704)-283-3813, visit our website at [www.unioncountync.gov](http://www.unioncountync.gov), or send an email to [finance@unioncountync.gov](mailto:finance@unioncountync.gov) for more information.

1. NC Department of Commerce – Labor and Economic Analysis Division, New Release August 2023
2. Additional information concerning The Conference Board and the ETI can be found at [www.conference-board.org](http://www.conference-board.org)
3. Barings/UNC Charlotte Economic Forecast. September 7, 2023. <http://belkcollege.uncc.edu/forecast>
4. The County's data includes permits issued by Union County, City of Monroe, and the Town of Waxhaw



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# Basic Financial Statements

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## Statement of Net Position

June 30, 2023

	Governmental Activities	Business Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 166,777,678	\$ 167,870,661	\$ 334,648,339
Property taxes receivable (net)	1,145,175	-	1,145,175
Accounts receivable (net)	31,115,015	16,504,195	47,619,210
Current portion of lease receivable	2,243,933	-	2,243,933
Accrued interest receivable on leases	1,991,360	-	1,991,360
Inventories	52,487	1,265,955	1,318,442
Internal balances	(58,482)	58,482	-
Prepaid Items	401,694	-	401,694
Advances to other funds	2,786	-	2,786
Cash and investments, restricted	234,943,699	21,390,510	256,334,209
Cash and investments, restricted-deposits	562,998	1,492,285	2,055,283
Total current assets	<u>439,178,343</u>	<u>208,582,088</u>	<u>647,760,431</u>
Noncurrent assets:			
Cash and investments	28,651,668	13,585,884	42,237,552
Noncurrent portion of lease receivable	151,949,581	-	151,949,581
Net pension asset, ROD	378,453	-	378,453
Investment in joint venture	-	47,010,827	47,010,827
Capital assets:			
Land and other assets not being depreciated	28,082,677	384,222,236	412,304,913
Buildings, equipment and infrastructure	128,210,429	282,371,256	410,581,685
Right-to-use lease asset, net of amortization	1,520,082	74,091	1,594,173
Right-to-use subscription asset, net of amortization	2,046,357	78,183	2,124,540
Total noncurrent assets	<u>340,839,247</u>	<u>727,342,477</u>	<u>1,068,181,724</u>
Total assets	<u>780,017,590</u>	<u>935,924,565</u>	<u>1,715,942,155</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Total assets and deferred outflows of resources	<u>841,760,492</u>	<u>945,280,000</u>	<u>1,787,040,492</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	22,317,721	25,558,082	47,875,803
Due to other governments	26,564,595	-	26,564,595
Liabilities payable by restricted assets	562,998	1,492,285	2,055,283
Advances from other funds	1,419	-	1,419
Workers' compensation claims	484,717	-	484,717
Health care benefits	1,707,079	-	1,707,079
Property and casualty claims payable	362,260	-	362,260
Current portion of compensated absences	6,385,894	1,040,533	7,426,427
Current portion of long-term obligations	37,900,150	13,173,247	51,073,397
Total current liabilities	<u>96,286,833</u>	<u>41,264,147</u>	<u>137,550,980</u>
Noncurrent liabilities:			
Accrued landfill postclosure care costs	-	6,393,380	6,393,380
Noncurrent portion of compensated absences	667,829	11,791	679,620
Net OPEB liability	32,339,154	5,550,969	37,890,123
Net pension liability, LGERS	48,053,642	7,371,132	55,424,774
Net pension liability, separation allowance	13,080,656	887,827	13,968,483
Noncurrent portion of long-term obligations	461,856,485	451,128,119	912,984,604
Total noncurrent liabilities	<u>555,997,766</u>	<u>471,343,218</u>	<u>1,027,340,984</u>
Total liabilities	<u>652,284,599</u>	<u>512,607,365</u>	<u>1,164,891,964</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Total liabilities and deferred inflows of resources	<u>838,499,636</u>	<u>516,387,944</u>	<u>1,354,887,580</u>
<b>NET POSITION</b>			
Net investment in capital assets	67,197,900	254,079,819	321,277,719
Restricted for:			
Stabilization by State statute	43,977,297	-	43,977,297
General government	421,269	-	421,269
Public safety	3,983,557	-	3,983,557
Economic and physical development	301,180	-	301,180
Human services	5,367,651	-	5,367,651
Cultural and recreational	151,152	-	151,152
Education	173,062,254	-	173,062,254
Debt service	-	251,004	251,004
Pension benefits	378,453	-	378,453
Unrestricted	(291,579,857)	174,561,233	(117,018,624)
Total net position	<u>\$ 3,260,856</u>	<u>\$ 428,892,056</u>	<u>\$ 432,152,912</u>

## Statement of Activities

For the Year Ended June 30, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
General government	\$ 33,886,683	\$ 10,293,086	\$ 18,407,528	\$ -	\$ (5,186,069)	\$ -	\$ (5,186,069)
Public safety	92,602,509	5,722,681	5,470,914	-	(81,408,914)	-	(81,408,914)
Economic and physical development	5,585,773	402,354	919,570	-	(4,263,849)	-	(4,263,849)
Human services	59,608,975	6,405,099	25,637,633	-	(27,566,243)	-	(27,566,243)
Cultural and recreational	8,691,375	965,467	362,196	-	(7,363,712)	-	(7,363,712)
Education	150,878,680	1,591,568	17,697,393	-	(131,589,719)	-	(131,589,719)
Interest on long term debt	16,330,847	-	-	-	(16,330,847)	-	(16,330,847)
Total governmental activities	367,584,842	25,380,255	68,495,234	-	(273,709,353)	-	(273,709,353)
Business-type activities:							
Water and sewer	70,410,768	78,819,459	4,689,006	12,395,716	-	25,493,413	25,493,413
Solid waste	9,728,256	10,114,105	17,365	-	-	403,214	403,214
Total business-type activities	80,139,024	88,933,564	4,706,371	12,395,716	-	25,896,627	25,896,627
Total primary government	\$ 447,723,866	\$ 114,313,819	\$ 73,201,605	\$ 12,395,716	(273,709,353)	25,896,627	(247,812,726)
General revenues:							
Property taxes levied for general purposes					240,724,747	-	240,724,747
Local option sales tax					73,534,546	-	73,534,546
Other taxes and licenses					4,830,535	-	4,830,535
Grants and contributions not restricted to specific programs					130,927	-	130,927
Investment earnings, unrestricted					10,889,196	4,756,503	15,645,699
Gains on sales and disposals of capital assets					8,546	66,608	75,154
Total general revenues					330,118,497	4,823,111	334,941,608
Change in net position					56,409,144	30,719,738	87,128,882
Net position - beginning					(53,148,288)	398,172,318	345,024,030
Net position - ending					\$ 3,260,856	\$ 428,892,056	\$ 432,152,912

The notes to the financial statements are an integral part of this statement.

**Balance Sheet**  
**Governmental Funds**  
June 30, 2023

	Major			Nonmajor	Total Governmental Funds
	General Fund	General Capital Project Fund	General Special Revenue Fund	Other Governmental Funds	
<b>ASSETS</b>					
Cash and investments	\$ 133,613,911	\$ 47,977,712	\$ 445,885	\$ 4,372,720	\$ 186,410,228
Property taxes receivable, net	1,089,246	-	-	55,929	1,145,175
Accounts receivable, net	28,600,307	814,095	623,148	1,062,588	31,100,138
Lease receivable	154,193,514	-	-	-	154,193,514
Accrued interest receivable on leases	1,991,360	-	-	-	1,991,360
Inventories	52,487	-	-	-	52,487
Prepaid Item	8,655	-	393,039	-	401,694
Advances to other funds	2,786	-	-	-	2,786
Cash and investments, restricted	16,316,711	188,916,915	28,469,931	1,240,142	234,943,699
Cash and investments, restricted-deposits	562,998	-	-	-	562,998
Total assets	<u>336,431,975</u>	<u>237,708,722</u>	<u>29,932,003</u>	<u>6,731,379</u>	<u>610,804,079</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	7,710,296	9,151,959	479,222	723,050	18,064,527
Due to other governments	-	-	26,564,595	-	26,564,595
Deposits	562,998	-	-	-	562,998
Advances from other funds	-	-	-	1,419	1,419
Total liabilities	<u>8,273,294</u>	<u>9,151,959</u>	<u>27,043,817</u>	<u>724,469</u>	<u>45,193,539</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Total liabilities and deferred inflows of resources	<u>160,478,117</u>	<u>-</u>	<u>-</u>	<u>59,384</u>	<u>160,537,501</u>
<b>FUND BALANCES</b>					
Nonspendable	61,142	-	-	-	61,142
Restricted	31,694,610	184,363,582	4,817,061	5,965,013	226,840,266
Committed	71,391,899	-	-	-	71,391,899
Assigned	22,169,876	55,547,089	-	-	77,716,965
Unassigned	42,363,037	(11,353,908)	(1,928,875)	(17,487)	29,062,767
Total fund balances	<u>167,680,564</u>	<u>228,556,763</u>	<u>2,888,186</u>	<u>5,947,526</u>	<u>405,073,039</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 336,431,975</u>	<u>\$ 237,708,722</u>	<u>\$ 29,932,003</u>	<u>\$ 6,731,379</u>	<u>\$ 610,804,079</u>

The notes to the financial statements are an integral part of this statement.

**Reconciliation of the Balance Sheet of Governmental Funds to the  
Statement of Net Position**  
June 30, 2023

Amounts reported for governmental activities in the statement of net position are different because:

Ending fund balance - governmental funds	\$ 405,073,039
Capital assets in governmental activities are not financial resources and, therefore, are not reported in the funds.	159,859,545
Other long-term assets, related to the net pension asset, are not current financial resources and therefore are deferred in the funds.	378,453
Other long-term assets, related to unearned taxes, are not current financial resources and therefore are deferred in the funds.	431,078
Deferred unamortized swap termination costs.	9,798,257
Deferred gains on advance refunding, deferred inflows.	(5,425,650)
Deferred loss on advance refunding, deferred outflows.	5,379,517
Deferred accrued interest on lease receivables are not current financial resources and therefore are deferred in the funds.	1,991,360
Contributions to pension plans in the current fiscal year are deferred outflows of resources.	9,030,535
Internal service funds are used by management to charge the costs of health and dental insurance to individual funds. The current assets and liabilities are included in governmental activities in the statement of net position.	4,675,684
Internal service funds are used by management to charge the costs of workers' compensation to individual funds. The current assets and liabilities are included in governmental activities in the statement of net position.	1,220,105
Internal service funds are used by management to charge the costs of property and casualty insurance to individual funds. The current assets and liabilities are included in governmental activities in the statement of net position.	497,252
Internal balance due from Business-Type Activities to Governmental Activities.	(58,482)
OPEB related deferrals.	(9,752,944)
Pension related deferrals.	24,613,212
Long-term liabilities that are not due in the current period and therefore are not reported in the funds:	
Compensated absences	(7,053,723)
Net other postemployment benefits	(32,339,154)
Net pension liability for LGERS	(48,053,642)
Net pension liability for separation allowance	(13,080,656)
Leases payable and accrued interest	(1,540,517)
Subscription based agreements payable and accrued interest	(1,890,287)
Arbitrage rebate liability payable	(26,029)
Bonds and installment financing payable and accrued interest	(500,466,097)
Net position of governmental activities	<u>\$ 3,260,856</u>

The notes to the financial statements are an integral part of this statement.



**Statement of Revenues, Expenditures, and Changes in Fund Balances****Governmental Funds**

For the Year Ended June 30, 2023

	Major			Nonmajor	Total Governmental Funds
	General Fund	General Capital Project Fund	General Special Revenue Fund	Other Governmental Funds	
<b>REVENUES</b>					
Ad valorem taxes	\$ 227,726,433	\$ -	\$ -	\$ 13,019,448	\$ 240,745,881
Local option sales tax	69,967,844	-	-	3,566,702	73,534,546
Other taxes and licenses	4,500,236	-	-	330,299	4,830,535
Intergovernmental	41,585,147	513,746	27,643,047	-	69,741,940
Permits and fees	5,672,591	-	-	170,759	5,843,350
Sales and services	6,196,783	-	27,000	-	6,223,783
Investment earnings	6,269,133	2,747,516	1,634,574	44,708	10,695,931
Miscellaneous	9,277,037	43,205	10,307	2,938,154	12,268,703
Total revenues	371,195,204	3,304,467	29,314,928	20,070,070	423,884,669
<b>EXPENDITURES</b>					
Current:					
General government	34,062,365	-	392,939	126,030	34,581,334
Public safety	65,735,765	-	642,936	24,517,641	90,896,342
Economic and physical development	4,734,743	-	445,362	-	5,180,105
Human services	50,695,484	-	8,283,265	529,297	59,508,046
Cultural and recreational	7,906,109	-	-	-	7,906,109
Intergovernmental:					
Education	120,597,623	-	-	1,034,617	121,632,240
Capital outlay:					
General government	-	4,265,320	-	-	4,265,320
Public safety	-	6,181,462	-	-	6,181,462
Economic and physical development	-	20,381	-	-	20,381
Cultural and recreational	-	7,009,283	-	-	7,009,283
Education	-	30,515,696	-	-	30,515,696
Debt service:					
Principal bond retirement	36,669,000	-	-	-	36,669,000
Principal - leases	335,600	-	-	446	336,046
Principal - subscriptions	921,459	-	-	-	921,459
Interest on long term debt	11,628,071	-	-	-	11,628,071
Interest - leases	5,873	-	-	7	5,880
Interest - subscriptions	42,921	-	-	-	42,921
Total expenditures	333,335,013	47,992,142	9,764,502	26,208,038	417,299,695
Excess (deficiency) of revenues over (under) expenditures	37,860,191	(44,687,675)	19,550,426	(6,137,968)	6,584,974
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	17,786,479	31,110,532	-	6,507,735	65,404,746
Transfers to other funds	(37,618,267)	-	-	-	(47,618,267)
Transfer to General Fund	-	-	(17,786,479)	-	(17,786,479)
Issuance of general obligation bonds	-	134,405,000	-	-	134,405,000
Issuance of general obligation bonds, premiums	10,043,962	11,704,446	-	-	21,748,408
Issuance of refunding installment financing	23,210,000	-	-	-	23,210,000
Issuance of refunding installment, premium	2,898,446	-	-	-	2,898,446
Issuance of lease liability	1,379,623	-	-	-	1,379,623
Issuance of subscription liability	3,004,974	-	-	-	3,004,974
Payments to refunded installment financing escrow agents	(25,956,223)	-	-	-	(25,956,223)
Total other financing sources (uses)	(5,251,006)	177,219,978	(17,786,479)	6,507,735	160,690,228
Net change in fund balances	32,609,185	132,532,303	1,763,947	369,767	167,275,202
<b>FUND BALANCES</b>					
Beginning	135,071,379	96,024,460	1,124,239	5,577,759	237,797,837
Ending	\$ 167,680,564	\$ 228,556,763	\$ 2,888,186	\$ 5,947,526	\$ 405,073,039

The notes to the financial statements are an integral part of this statement.

**Reconciliation of the Statement of Revenues, Expenditures and  
Changes in Fund Balances of Governmental Funds to the  
Statement of Activities**

For the Year Ended June 30, 2023

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 167,275,202
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	13,206,393
Loss on sale of assets	(45,836)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds as follows:	
Deferred property taxes	(21,134)
Deferred lease interest income	(16,978)
Revenues in the statement of activities from internal service funds' investment earnings.	193,265
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(125,601,388)
Contributions to the pension plans in the current fiscal year are not included on the statement of activities.	9,030,535
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(9,397,817)
Accrued interest payable related to lease agreements	(560)
Accrued interest payable related to subscriptions agreements	(19,434)
The internal service fund, determined to be governmental fund type, is used by management to charge the costs, net of investment earnings, of health and dental insurance program.	1,884,869
The internal service fund, determined to be governmental fund type, is used by management to charge the costs, net of investment earnings, of workers' compensation program.	(142,102)
The internal service fund, determined to be governmental fund type, is used by management to charge the costs, net of investment earnings, of property and casualty insurance program.	64,129
Change in net position of governmental activities	<u>\$ 56,409,144</u>

The notes to the financial statements are an integral part of this statement.

**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - General Fund**  
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
<b>REVENUES</b>				
Ad valorem taxes	\$ 220,706,145	\$ 220,731,145	\$ 227,726,433	\$ 6,995,288
Local option sales tax	67,669,664	67,669,664	69,967,844	2,298,180
Other taxes and licenses	4,019,850	4,019,850	4,500,236	480,386
Intergovernmental	45,382,951	47,445,683	41,585,147	(5,860,536)
Permits and fees	6,200,813	6,200,813	5,672,591	(528,222)
Sales and services	6,713,706	6,762,959	6,196,783	(566,176)
Investment earnings	653,744	653,744	6,269,133	5,615,389
Miscellaneous	7,522,695	7,616,591	9,277,037	1,660,446
Total revenues	<u>358,869,568</u>	<u>361,100,449</u>	<u>371,195,204</u>	<u>10,094,755</u>
<b>EXPENDITURES</b>				
Current:				
General government	37,666,749	35,139,730	34,062,365	1,077,365
Public safety	62,736,278	69,137,675	65,735,765	3,401,910
Economic and physical development	5,317,322	6,173,208	4,734,743	1,438,465
Human services	53,652,765	57,099,029	50,695,484	6,403,545
Cultural and recreational	8,083,574	8,388,313	7,906,109	482,204
Intergovernmental:				
Education	119,697,014	120,618,846	120,597,623	21,223
Debt service:				
Principal bond retirement	36,669,000	36,669,000	36,669,000	-
Principal - leases	-	-	335,600	(335,600)
Principal - subscriptions	-	-	921,459	(921,459)
Interest on long term debt	12,061,634	11,818,633	11,628,071	190,562
Interest - leases	-	-	5,873	(5,873)
Interest - subscriptions	-	-	42,921	(42,921)
Total expenditures	<u>335,884,336</u>	<u>345,044,434</u>	<u>333,335,013</u>	<u>11,709,421</u>
Revenues over (under) expenditures	<u>22,985,232</u>	<u>16,056,015</u>	<u>37,860,191</u>	<u>21,804,176</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	-	21,756,838	27,786,479	6,029,641
Transfers to other funds	(29,388,633)	(51,188,626)	(47,618,267)	3,570,359
Transfers to Water and Sewer Capital Fund	-	(400,000)	-	400,000
Issuance of general obligation bonds, premiums	-	526,608	10,043,962	9,517,354
Issuance of refunding installment financing	-	23,210,000	23,210,000	-
Issuance of refunding installment, premium	-	2,898,446	2,898,446	-
Issuance of lease liability	-	-	1,379,623	1,379,623
Issuance of subscription liability	-	-	3,004,974	3,004,974
Payments to refunded installment financing escrow agents	-	(25,956,223)	(25,956,223)	-
Total other financing sources (uses)	<u>(29,388,633)</u>	<u>(29,152,957)</u>	<u>(5,251,006)</u>	<u>23,901,951</u>
Revenues and other financing sources under expenditures and other financing uses	<u>(6,403,401)</u>	<u>(13,096,942)</u>	<u>32,609,185</u>	<u>45,706,127</u>
<b>APPROPRIATED FUND BALANCE</b>	<u>6,403,401</u>	<u>13,096,942</u>	<u>-</u>	<u>(13,096,942)</u>
Revenues, other financing sources, and appropriated fund balance over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>32,609,185</u>	<u>\$ 32,609,185</u>
<b>FUND BALANCE</b>				
Beginning			135,071,379	
Ending			<u>\$ 167,680,564</u>	

The notes to the financial statements are an integral part of this statement.

**Statement of Net Position**  
**Proprietary Funds**  
 June 30, 2023

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major	Nonmajor	Total	
	Water and Sewer Fund	Solid Waste Fund		
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 153,985,748	\$ 13,884,913	\$ 167,870,661	\$ 9,019,118
Accounts receivable, net	15,528,798	975,397	16,504,195	14,877
Inventories	1,265,955	-	1,265,955	-
Cash and investments, restricted	21,390,510	-	21,390,510	-
Cash and investments, restricted-deposits	1,463,535	28,750	1,492,285	-
Total current assets	193,634,546	14,889,060	208,523,606	9,033,995
Noncurrent assets:				
Cash and investments	12,594,922	990,962	13,585,884	-
Investment in joint venture	47,010,827	-	47,010,827	-
Capital assets:				
Land and other assets not being depreciated	383,661,851	560,385	384,222,236	-
Buildings, equipment, and infrastructure, net	279,074,791	3,296,465	282,371,256	-
Right-to-use lease asset, net	69,891	4,200	74,091	-
Right-to-use subscription asset, net	78,183	-	78,183	-
Total noncurrent assets	722,490,465	4,852,012	727,342,477	-
Total assets	916,125,011	19,741,072	935,866,083	9,033,995
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Total assets and deferred outflows of resources	8,524,662	830,773	9,355,435	62,646
	924,649,673	20,571,845	945,221,518	9,096,641
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	24,857,080	699,941	25,557,021	86,898
Accrued interest payable	1,060	1	1,061	-
Current portion of compensated absences	921,640	118,893	1,040,533	14,154
Current portion of long-term obligations	13,172,249	998	13,173,247	-
Deposits	1,463,535	28,750	1,492,285	-
Workers' compensation claims payable	-	-	-	484,717
Health care benefits payable	-	-	-	1,707,079
Property and casualty claims payable	-	-	-	362,260
Total current liabilities	40,415,564	848,583	41,264,147	2,655,108
Noncurrent liabilities:				
Accrued landfill postclosure care costs	-	6,393,380	6,393,380	-
Noncurrent portion of compensated absences	-	11,791	11,791	4,880
Net OPEB liability	4,743,167	807,802	5,550,969	-
Net pension liability, LGERS	6,528,842	842,290	7,371,132	93,557
Net pension liability, separation allowance	828,639	59,188	887,827	-
Noncurrent portion of long-term obligations	451,124,846	3,273	451,128,119	-
Total noncurrent liabilities	463,225,494	8,117,724	471,343,218	98,437
Total liabilities	503,641,058	8,966,307	512,607,365	2,753,545
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Total liabilities and deferred inflows of resources	3,273,242	507,337	3,780,579	395
	506,914,300	9,473,644	516,387,944	2,753,940
<b>NET POSITION</b>				
Net investment in capital assets	250,223,040	3,856,779	254,079,819	-
Restricted for debt service	251,004	-	251,004	-
Unrestricted	167,261,329	7,241,422	174,502,751	6,342,701
Total net position	\$ 417,735,373	\$ 11,098,201	428,833,574	\$ 6,342,701
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			58,482	
Net position of business-type activities			\$ 428,892,056	

The notes to the financial statements are an integral part of this statement.

**Statement of Revenues, Expenses, and Changes in Fund Net Position****Proprietary Funds**

For the Year Ended June 30, 2023

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major	Nonmajor	Total	
	Water and Sewer Fund	Solid Waste Fund		
<b>OPERATING REVENUES</b>				
Charges for services	\$ 74,231,925	\$ 9,457,194	\$ 83,689,119	\$ -
Disposal fees	-	595,019	595,019	-
Interfund charges and employee contributions	-	-	-	28,375,269
Intergovernmental	4,689,006	-	4,689,006	-
Miscellaneous revenue	42,068	4,316	46,384	5,070
Other operating revenue	1,979,839	58,576	2,038,415	-
Total operating revenues	<u>80,942,838</u>	<u>10,115,105</u>	<u>91,057,943</u>	<u>28,380,339</u>
<b>OPERATING EXPENSES</b>				
Personnel	14,259,169	2,167,742	16,426,911	190,462
Operating expenses	21,186,796	6,432,082	27,618,878	3,725,404
Amortization, right-to-use assets	91,244	725	91,969	-
Depreciation	20,069,358	578,483	20,647,841	-
Landfill closure	-	591,060	591,060	-
Worker's compensation claims	-	-	-	592,489
Health benefit claims and premiums	-	-	-	20,281,283
Property and casualty claims and premiums	-	-	-	1,463,302
Total operating expenses	<u>55,606,567</u>	<u>9,770,092</u>	<u>65,376,659</u>	<u>26,252,940</u>
Operating income	<u>25,336,271</u>	<u>345,013</u>	<u>25,681,284</u>	<u>2,127,399</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Investment earnings	6,968,813	353,317	7,322,130	193,265
Intergovernmental	-	16,365	16,365	-
Sale of capital assets	66,607	-	66,607	-
Interest on long-term debt	(13,456,075)	-	(13,456,075)	-
Loss on investment in joint venture	(1,626,791)	-	(1,626,791)	-
Total nonoperating revenue (expenses)	<u>(8,047,446)</u>	<u>369,682</u>	<u>(7,677,764)</u>	<u>193,265</u>
Income (loss) before contributions and transfers	<u>17,288,825</u>	<u>714,695</u>	<u>18,003,520</u>	<u>2,320,664</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Capital contributions - cash-other	479,881	-	479,881	-
Capital contributions - system development fees	5,413,985	-	5,413,985	-
Capital contributions - non-cash	6,501,850	-	6,501,850	-
Total other financing sources (uses)	<u>12,395,716</u>	<u>-</u>	<u>12,395,716</u>	<u>-</u>
Change in net position	<u>29,684,541</u>	<u>714,695</u>	<u>30,399,236</u>	<u>2,320,664</u>
<b>NET POSITION</b>				
Beginning	388,050,832	10,383,506		4,022,037
Ending	<u>\$ 417,735,373</u>	<u>\$ 11,098,201</u>		<u>\$ 6,342,701</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			320,502	
Change in net position of business-type activities			<u>\$ 30,719,738</u>	

The notes to the financial statements are an integral part of this statement.

**Statement of Cash Flows**  
**Proprietary Funds**  
For the Year Ended June 30, 2023

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Major	Nonmajor	Total	
	Water and Sewer Fund	Solid Waste Fund		
<b>OPERATING ACTIVITIES</b>				
Cash received from customers for services	\$ 71,185,145	\$ 9,437,400	\$ 80,622,545	\$ 28,375,634
Other operating revenue	6,710,913	657,911	7,368,824	5,070
Cash paid to employees	(14,609,701)	(2,384,191)	(16,993,892)	(203,926)
Cash paid for goods and services	(36,992,732)	(6,232,626)	(43,225,358)	(25,996,600)
Net cash provided by operating activities	<u>26,293,625</u>	<u>1,478,494</u>	<u>27,772,119</u>	<u>2,180,178</u>
<b>CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Adjustment to capital assets	(3,866)	(233)	(4,099)	-
Proceeds from sale of capital assets	67,173	16,365	83,538	-
Proceeds from system development fees	5,413,985	-	5,413,985	-
Proceeds from developer contributions	479,881	-	479,881	-
Payments on revenue bond debt	(10,875,000)	-	(10,875,000)	-
Interest paid on bonds and other debt	(14,915,935)	-	(14,915,935)	-
Acquisition and construction of capital assets	(139,834,495)	(496,522)	(140,331,017)	-
Net cash used by capital and related financing activities	<u>(159,668,257)</u>	<u>(480,390)</u>	<u>(160,148,647)</u>	<u>-</u>
<b>INVESTING ACTIVITIES</b>				
Investment earnings	6,968,813	353,317	7,322,130	193,265
Net cash provided by investing activities	<u>6,968,813</u>	<u>353,317</u>	<u>7,322,130</u>	<u>193,265</u>
Net change in cash and investments	(126,405,819)	1,351,421	(125,054,398)	2,373,443
<b>CASH AND INVESTMENTS</b>				
Beginning of year	315,840,534	13,553,204	329,393,738	6,645,675
End of year	<u>\$ 189,434,715</u>	<u>\$ 14,904,625</u>	<u>\$ 204,339,340</u>	<u>\$ 9,019,118</u>
<b>Reconciliation of cash and investments to the Statement of Net Position:</b>				
Cash and investments	\$ 153,985,748	\$ 13,884,913	\$ 167,870,661	\$ 9,019,118
Cash and investments, noncurrent	12,594,922	990,962	13,585,884	-
Cash and investments, restricted assets	21,390,510	-	21,390,510	-
Cash and investments, restricted assets-deposits	1,463,535	28,750	1,492,285	-
Total Statement of Net Position cash and cash equivalents	<u>\$ 189,434,715</u>	<u>\$ 14,904,625</u>	<u>\$ 204,339,340</u>	<u>\$ 9,019,118</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income	\$ 25,336,271	\$ 345,013	\$ 25,681,284	\$ 2,127,399
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation	\$ 20,069,358	\$ 578,483	\$ 20,647,841	\$ -
Amortization	91,244	725	91,969	-
Construction-in-progress not placed in service	295,708	-	295,708	-
Provision for uncollectible accounts	691,371	-	691,371	-
Landfill closure and post closure care costs	-	591,060	591,060	-
Change in assets, deferred outflows, liabilities and deferred inflows:				
Accounts receivable (net)	(3,948,058)	(23,739)	(3,971,797)	365
Accrued interest payable	1,060	1	1,061	-
Inventories	(331,514)	-	(331,514)	-
Prepaid items	22,612	-	22,612	-
Deferred outflows of resources - LGERS	(1,743,018)	(184,844)	(1,927,862)	3,782
Deferred outflows of resources - OPEB	1,356,688	152,809	1,509,497	-
Deferred outflows of resources - Sep. Allow.	56,024	43,302	99,326	-
Accounts payable and accrued liabilities	(14,899,328)	123,792	(14,775,536)	65,878
Deposits	209,907	3,945	213,852	-
Net pension liability, LGERS	4,883,603	604,987	5,488,590	51,982
Net OPEB liability	(4,844,773)	(558,143)	(5,402,916)	-
Net pension liability, separation allowance	(167,241)	(132,327)	(299,568)	-
Compensated absences payable	87,827	12,278	100,105	(10,224)
Deferred inflows of resources - LGERS	(2,322,970)	(335,476)	(2,658,446)	(59,004)
Deferred inflows of resources - OPEB	1,166,220	246,446	1,412,666	-
Deferred inflows of resources - Sep. Allow.	141,720	5,911	147,631	-
Lease liability	71,081	4,271	75,352	-
Subscription liability	69,833	-	69,833	-
Total adjustments	<u>957,354</u>	<u>1,133,481</u>	<u>2,090,835</u>	<u>52,779</u>
Net cash provided by operating activities	<u>\$ 26,293,625</u>	<u>\$ 1,478,494</u>	<u>\$ 27,772,119</u>	<u>\$ 2,180,178</u>
<b>Noncash investing, capital, and financing activities:</b>				
Loss on investment in joint venture	\$ (1,626,791)	\$ -	\$ (1,626,791)	\$ -
Contribution of capital infrastructure	<u>\$ 6,501,850</u>	<u>\$ -</u>	<u>\$ 6,501,850</u>	<u>\$ -</u>

**Statement of Fiduciary Net Position****Fiduciary Funds**

June 30, 2023

	Pension Trust Funds	Custodial Funds
<b>ASSETS</b>		
Cash and cash equivalents	\$ -	\$ 81,992
Accounts receivable, net	-	626,213
Investments:		
State Treasurer's Office OPEB Trust	61,698,125	-
Separation Allowance Trust Fund	5,118,983	-
Total assets	<u>66,817,108</u>	<u>708,205</u>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	1,872	-
Advances from other funds	1,367	-
Total liabilities	<u>3,239</u>	<u>-</u>
<b>NET POSITION</b>		
Restricted for:		
State Treasurer's Office OPEB Trust	61,698,125	-
Separation Allowance Trust Fund	5,115,744	-
Individuals, organizations, and other governments	-	708,205
Total net position	<u>\$ 66,813,869</u>	<u>\$ 708,205</u>

The notes to the financial statements are an integral part of this statement.

**Statement of Changes in Fiduciary Net Position****Fiduciary Funds - Pension Trust Funds**

For the Year Ended June 30, 2023

	Pension Trust Funds	Custodial Funds
<b>ADDITIONS</b>		
Ad valorem taxes for other governments	\$ -	\$ 27,704,016
Collections on behalf of inmates	-	708,921
Employer contributions	7,716,668	-
Investment income		
Net appreciation in fair value of investments	3,792,756	-
Interest	297,228	-
Dividends	4,455	-
Total investment income	4,094,439	-
Investment expense	(4,963)	-
Net investment income	4,089,475	-
Total additions	11,806,143	28,412,937
<b>DEDUCTIONS</b>		
Benefits	5,281,671	-
Due to program participants	-	28,083,724
Payments on behalf of inmates	-	703,909
Total Deductions	5,281,671	28,787,633
Change in net position	6,524,472	(374,696)
<b>NET POSITION</b>		
Beginning	60,289,397	1,082,901
Ending	\$ 66,813,869	\$ 708,205

The notes to the financial statements are an integral part of this statement.



Union County, North Carolina

**Notes to the Financial Statements**

For the Year Ended June 30, 2023

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Union County, North Carolina (the "County") and its component units conform to generally accepted accounting principles (GAAP) as applicable to governments. The following is a summary of the more significant accounting policies:

**A. Reporting Entity**

The County, which is governed by a five-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10 (hereinafter references to the North Carolina General Statutes will be cited as G.S.). As required by generally accepted accounting principles, these financial statements present the County and its component units, legally separate entities for which the County is financially accountable. The County has determined that it has three blended component units, although legally separate entities, which are, in substance, a part of the County's operations.

**Union County Industrial Facilities and Pollution Control Financing Authority**

Union County Industrial Facilities and Pollution Control Financing Authority ("Authority") is a component unit of the County and exists to issue and service revenue bond debt of private business for economic development purposes. The Authority is governed by a seven-member board, all of whom are appointed by the County Board of Commissioners ("Board"). The Board can remove any Authority member with or without cause. The Authority has no financial transactions or account balances; therefore, it is not presented in the basic financial statements. The Authority does not issue separate financial statements.

**Union County Public Facilities Corporation**

Union County Public Facilities Corporation ("Corporation") is a blended component unit of the County and exists to encourage the modernization of public facilities, through the financing, acquisition, construction, operation and lease of real estate, improvements, facilities, and equipment for the use of Union County. The Corporation is governed by a three-member board, all of whom are appointed by the County Board of Commissioners. The Board can remove any Corporation member with or without cause. The Corporation's transactions are reported within the General and Capital Projects Funds. The Corporation does not issue separate financial statements.

**Union County Water and Sewer District**

Union County Water and Sewer District (the "District") is a municipal corporation created on January 3, 2017, pursuant to the authority set forth in Article 6 of Chapter 162A of the North Carolina General Statutes. Pursuant to generally accepted accounting principles, the District is considered a blended component unit of Union County.

The governing body of the District is the Union County Water and Sewer District Board of Governors ("Board of Governors"). Pursuant to N.C.G.S. § 162A-9, the Board of Governors, as the District's governing body, is the Union County Board of Commissioners. The District is subject to the Local Government and Fiscal Control Act.

The District operates the County's Water and Sewer system, continues operations under the name Union County Public Works, sets certain rate and fee schedules, and performs other functions as set

forth in an interlocal agreement between the District and the County (approved by the Board of County Commissioners on February 20, 2017, and the District's Board of Governors on April 17, 2017).

## **B. Basis of Presentation**

*Government-Wide Statements:* The statement of net position and the statement of activities display information about the primary government net position (Union County). These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Interfund activities between the governmental activities and the business-type activities have not been eliminated. These statements distinguish between the *governmental* and *business-type activities* of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

*Fund Financial Statements:* The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, result from non-exchange transactions. Other non-operating revenues, such as investment earnings, are ancillary activities.

The County reports the following major governmental funds:

**General Fund** – This is the County's primary operating fund. The General Fund accounts for all financial resources of the general government except those that are required to be accounted for in another fund. The primary revenue sources are ad valorem taxes, sales taxes, federal and State grants, and various other taxes and licenses. The primary expenditures are for general government, public safety, human services, education and debt service. The General Fund includes the Debt Service Budgetary Fund and the Economic Development Fund. Portions of the county-wide tax rate are also budgeted to the Debt Service Budgetary Fund to cover principal payments, interest payments and service fees on general obligation bonds approved by voters. The Economic Development fund was created to appropriate funding for economic development debt service requirements and future economic development projects.

**General Capital Project Fund** – The sources of this fund are primarily transfers from the General Fund and general obligation bonds which are expended for capital asset acquisition, improvement and construction of various governmental projects, and funds for recurring capital contributions for educational purposes and facilities.

**General Special Revenue Fund** – The sources of this fund are primarily revenues from multi-year special revenues such as federal and state grants or special purpose revenues. The fund also accounts for the transactions related to the American Rescue Plan Funds.

The County reports the following major enterprise fund:

**Water and Sewer Fund** – This fund accounts for the County's water and sewer operations. The Water and Sewer Capital Project Fund, the Union County Water and Sewer District Fund, and the Union County Water and Sewer District System Development Fees Capital Reserve Fund are consolidated with the Water and Sewer Fund (the operating fund) for financial reporting purposes.

The County reports the following nonmajor enterprise fund:

**Solid Waste Fund** – The Solid Waste Fund accounts for the County's solid waste operations. The Solid Waste Capital Reserve Fund is a reserve established by the County to accumulate the funds necessary to cover the post closure care costs that will be incurred by the landfill in the future. The Solid Waste Capital Reserve Fund is consolidated with the Solid Waste Fund (the operating fund) for financial reporting purposes.

Additionally, the County reports the following fund types:

**Special Revenue Funds** - Special Revenue Funds account for specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The County maintains twenty-six Special Revenue Funds including eighteen Fire District Funds, the Fee Supported Fire Districts Fund, the Emergency Telephone System Fund, the General Special Revenue Fund, the DSS Representative Payee Fund, the Automation Enhancement Fund, the Fines and Forfeitures Fund, the Civil Fees Fund, and the Opioid Settlement Fund.

**Capital Project Funds** - Capital Project Funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

**Proprietary Funds** are used to account for the County's business-type activities. The County reports the Water and Sewer Fund as a major enterprise fund, and the Solid Waste Fund as non-major enterprise fund. Proprietary funds also include the following fund types:

**Internal Service Funds** - Internal Service Funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the government, on a cost reimbursement basis. The County has three Internal Service Funds: the Health Benefits Fund (which includes dental benefits), the Workers' Compensation Fund, and the Property and Casualty Fund. The Health Benefits Fund accounts for the accumulation and allocation of costs associated with insurance for employee, retiree (under 65 years of age), and family medical and dental claims. The Workers' Compensation Fund accounts for the costs associated with workers' compensation claims. The Property and Casualty Fund, acting as a self-insurance fund for property and casualty claims, provides for premium payments and losses. County departments contribute funding to the Property and Casualty Fund through an allocation or internal service charge based on the individual department's relative risk of loss and its proportional cost of premiums.

**Fiduciary Funds** account for the assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. Fiduciary Funds include the following funds:

**Pension Trust Fund** - The County maintains two Pension Trust Funds - the Special Separation Allowance Fund and the Other Postemployment Retiree Healthcare Benefits (OPEB) Fund. Pension Trust Funds are used to report resources that are required to be held in trust for the members and

beneficiaries of defined benefit pension plans, defined contribution plans, or other postemployment benefit plans. The Special Separation Allowance Fund is a single-employer, public employee retirement system. The resources in the Special Separation Allowance Fund have been set aside to pay future obligation of the Special Separation Allowance and are held in a trust that meets the criteria. For reporting purposes, the measurement date for the Special Separation Allowance Trust is December 31st. The resolution to establish the Separation Allowance Trust was approved by the Board of County Commissioners and funded in June 2017 for the fiscal year ending June 30, 2017 (reporting date). The Other Postemployment Retiree Healthcare Benefits Fund accounts for a portion of the County's contributions to the net OPEB obligation for healthcare coverage provided to qualified retirees.

**Custodial Funds** - These funds are custodial in nature and uses the economic resources measurement focus. Custodial Funds are used to account for assets the County holds on behalf of others. The County maintains three Custodial Funds: the Jail Inmate Fund, which accounts for monies deposited and held for individual inmates in the Union County Jail; the Municipal Tax Collection Fund, which accounts for registered motor vehicle property taxes that are billed and collected by the County for various municipalities within the County; and the Gross Rental Receipts Tax Fund, which accounts for municipalities that levy a local tax on gross receipts derived from the short-term lease or rental of vehicles at retail to the general public, which serves as a substitute to the ad valorem tax previously levied on such property.

### **C. Measurement Focus and Basis of Accounting**

In accordance with North Carolina General Statutes, all funds of the County are maintained during the year using the modified accrual basis of accounting.

*Government-Wide, Proprietary, Fiduciary Fund and Custodial Financial Statements.* The government-wide, proprietary fiduciary and custodial fund financial statements are reported using the economic resources measurement focus. The government-wide, proprietary fund and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer Fund, Solid Waste Fund and the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

*Governmental Fund Financial Statements.* Governmental Funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

Proceeds of general long-term debt and acquisitions under capital leases and IT subscriptions are reported as other financing sources.

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year.

Those revenues susceptible to accrual are sales taxes and certain intergovernmental revenues, both collected and held by the state at year-end on behalf of the County. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

#### **D. Budgetary Data**

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, Allens Crossroad Fire District, Bakers Fire District, Beaver Lane Fire District, Fairview Fire District, Griffith Road Fire District, Hemby Bridge Fire District, Jackson Fire District, Lanes Creek Fire District, New Salem Fire District, Providence Fire District, Sandy Ridge Fire District, Springs Fire District, Stack Road Fire District, Stallings Fire District, Unionville Fire District, Waxhaw Fire District, Wesley Chapel Fire District, Wingate Fire District, Fee Supported Fire Districts, Emergency Telephone System, DSS Representative Payee Fund, Automation Enhancement Special Revenue Fund, Fines and Forfeitures Fund, and Civil Fees Fund; Business Type Activity Funds (operating funds), Pension Trust, and Internal Service Funds. All annual appropriations lapse at fiscal year end. Project ordinances (multi-year budgets) are adopted for the General Special Revenue Fund, Opioid Settlement Special Revenue Fund, General Capital Project Fund, the Solid Waste Capital Project Fund, and the Water and Sewer Capital Projects Fund which is consolidated with the Water and Sewer Fund (enterprise operating fund) for reporting purposes.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the service area level for the General Fund; at the fund level for Special Revenue and Enterprise Funds; and at the program level for the Capital Projects Fund. The County Manager is authorized by resolution to transfer appropriations between function appropriations, within the same fund, without limitation. The County Manager is also authorized to transfer personnel compensation pay plan adjustments, limited to the amount approved by the Board of County Commissioners in the original budget ordinance for the fiscal year, and insurance appropriations both contained in non-departmental to the benefiting departments without limitation. The County Manager is authorized to appropriate funds identified as restrictions or assignments of fund balance as reflected in the financial statements. The County Manager is also authorized to appropriate funds for grant applications authorized by or grant agreements accepted by the governing body thereby increasing the total appropriation for the fund. The County Manager reports to the governing body all budget ordinance transfers, appropriations and adjustments on a monthly basis. During the year, several budget amendments to the original budget became necessary. Budget data presented in the financial statements represent the final authorized amounts as of June 30, 2023. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

## **E. Assets, Liabilities, Deferred Inflows and Outflows, and Fund Equity**

### **1. Deposits and Investments**

All deposits of the County are made in board-designated official depositories and are secured as required by G.S. 159-31. The County may designate as an official depository any bank or savings association whose principal office is located in North Carolina. Also, the County may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the County to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States, obligations of the State of North Carolina, bonds and notes of any North Carolina local government or public authority, obligations of certain non-guaranteed federal agencies, certain high quality issues of commercial paper and bankers' acceptances, and the North Carolina Capital Management Trust ("NCCMT").

General Statute 159-30.1 allows the County to establish an Other Postemployment Benefit (OPEB) Trust managed by the staff of the Department of the State Treasurer and operated in accordance with State laws and regulations. It is not registered with the SEC and G.S. 159-30(g) allows the County to make contributions to the Trust. The State Treasurer, in their discretion, may invest the proceeds in equities of certain publicly held companies and long or short term fixed income investments as detailed in G.S. 147-69.2(b)(1-6) and (8). Funds submitted are managed in three different sub-funds: the State Treasurer's Short Term Investment Fund (STIF) consisting of short to intermediate treasuries, agencies and corporate issues authorized by G.S. 147-69.1, the Bond Index Fund (BIF) consisting of high quality debt securities eligible under G.S. 147-69.2(b)(1)-(6), and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund authorized under G.S. 147-69.2(b)(8).

The County's investments are carried at fair value as determined by quoted market prices.

The North Carolina Local Government Investment Pool (NCLGIP) and North Carolina Capital Management Trust (NCCMT) is a SEC registered money market mutual fund allowable by G.S. 159-30(c)8. The NCCMT Government Portfolio, which invests in treasuries and governmental agencies, is a money market mutual fund (2a-7) and maintains an AAAM rating from S&P and AAAMf by Moody's Investor Service. The NCCMT Government Portfolio is reported at fair value.

Ownership of the STIF is determined on a fair market valuation basis as of fiscal year-end in accordance with the STIF operation procedures. STIF investments are valued by the custodian using Level 2 inputs which in this case involves inputs - other than quoted prices - included within Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at \$1 per share. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2023 of 0.7 years. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund.

Ownership of the BIF is determined monthly at fair value using the same Level 2 inputs as the STIF and is based upon units of participation. Units of participation are calculated monthly based upon inflows and outflows as well as allocations of net earnings. On June 30, 2023 the BIF, which does not have a credit rating, was valued at \$1 per unit and had an average maturity of 8.70 years.

The BlackRock's MSCI ACWI EQ Index Non-Lendable Class B fund, authorized under G.S. 147-69.2(b)(8), is a common trust fund considered to be commingled in nature. The Fund's fair value is the number of shares times the net asset value as determined by a third party. At June 30, 2023, the fair value of the funds was \$ 31.815788 per share. Fair value for this Blackrock fund is determined using Level 1 inputs which are directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities.

## 2. Cash and Investments

The County pools monies from several funds, except the Social Services Fund, Sheriff's Civil Fee Fund and the Jail Inmate Fund to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The County considers demand deposits and investments with a maturity date of ninety days or less at time of purchase to be cash and cash equivalents.

## 3. Restricted Assets

The unexpended debt proceeds of the General Fund and the Water and Sewer Fund are due to bonds issued by the County which are classified as restricted assets because their use is completely restricted to the purpose for which the bonds were originally issued. Customer deposits held by the County before any services are supplied and those held as account security deposits are restricted to the services for which the deposits were collected. The restricted assets of the General Capital Project Fund are unexpended recurring capital contributions, from the General Fund, for educational purposes and facilities of the Union County Board of Education. The restricted assets of the General Special Revenue Fund are unexpended funds, which are restricted for the purpose of drug enforcement programs and other multi-year grant programs.

### Restricted Cash

#### Governmental Activities:

General Fund	2017 general obligation bond construction	\$	107,094
General Fund	2019A general obligation bond construction		6,353,579
General Fund	2019B general obligation bond construction		3,552,624
General Fund	2019C general obligation bond construction		20,765,449
General Fund	2022 general obligation bond construction		17,498,278
General Fund	2023 general obligation bond construction		156,942,549
General Fund	2023 limited obligation bond refunding		14,053
General Special Revenue Fund	American Rescue Plan Act Funding		28,469,931
Opioid Settlement Fund-Other	Opioid Settlement Funds		1,240,142
Governmental Funds			
General Fund	Security Deposits		562,998
			<u>235,506,697</u>

#### Business-Type Activities:

Water and Sewer Fund	2015 revenue bond debt service reserve		15,762
Water and Sewer Fund	2017 revenue bond debt service reserve		42,403
Water and Sewer Fund	2019 revenue bond construction account		11,265,777
Water and Sewer Fund	2019A revenue bond debt service reserve		48,433
Water and Sewer Fund	2021 revenue bond debt service reserve		109,364
Water and Sewer Fund	2021 revenue bond construction account		9,908,771
Water and Sewer Fund	Customer deposits		1,463,535
			<u>22,854,045</u>

Solid Waste Fund	Customer deposits		<u>28,750</u>
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Total Restricted Cash		\$	<u>258,389,492</u>
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## 4. Ad Valorem Taxes Receivable and Deferred Revenues

In accordance with G.S. 105-347 and G.S. 159-13(a), the County levies ad valorem taxes on property, other than motor vehicles, on July 1, the beginning of the fiscal year. These taxes are due on September

1 (lien date); however, interest and penalties do not accrue until the following January 6, when property taxes attach as enforceable liens. The taxes are based on the assessed values as of January 1, 2022.

## **5. Lease Receivable**

The County's lease receivable is measured at the present value of lease payments expected to be received during the lease term. A deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is recognized on a straight-line basis over the term of the lease. Any variable payments are reported as inflows when received.

## **6. Allowances for Doubtful Accounts**

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years.

## **7. Inventories and Prepaid Items**

The inventories of the County are valued at cost (first-in, first-out), which approximates market. The County's General Fund inventory consists of expendable supplies that are recorded as expenditures as used rather than when purchased. The inventory of the County's Enterprise Funds consists of materials and supplies held for consumption. The cost is recorded as an expense when the inventory is consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures as used rather than when purchased.

## **8. Capital Assets**

Purchased or constructed capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at acquisition value at the date of donation. Capital assets, which include property, plant, intangible assets, right to use leases, right to use subscription based information technology, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The County has set a capitalization threshold to recognize the right to use leases and subscription assets with a total asset balance of \$100,000 or more.

The County holds title to certain Union County Board of Education properties that have not been included in the County's capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board of Education give the Board of Education full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as capital assets in the financial statements of the Union County Board of Education.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.



Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Furniture and equipment	5-10
Computer software (intangible)	5-10
Vehicles	4-5
Land Improvements	20-30
Buildings	25-40
Building Improvements	7-30
Plant Distribution, Collection	25
Water rights (intangible)	40

The County has recorded the right to use lease assets in accordance with GASB 87 and has recorded the right to use Information Technology (IT) Subscriptions in accordance with GASB 96.

The right to use assets for leases are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

The right to use IT subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any subscription payments made at the start of the subscription term, if applicable, plus capitalizable initial implementation costs at the start of the subscription term, less any incentives received from the IT subscription vendor at the start of the subscription term. Subscription payments, as well as payments for capitalizable implementation costs made before the start of the subscription term should be reported as a prepayment (asset). Such prepayments should be reduced by any incentives received from the same vendor before the start of the subscription term if a right of offset exists. The net amount of the prepayments and incentives should be reported as an asset or liability, as appropriate, before the start of the subscription term at which time the amount should be included in the initial measurement of the subscription asset. The right to use subscription assets should be amortized on a straight-line basis over the subscription term.

## **9. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net assets that applies to future periods and so will not be recognized as an expense or expenditure until then. In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net assets that applies to future periods and so will not be recognized as revenue until then.

## **10. Long-term Obligations (Debt)**

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. The Water and Sewer Fund's revenue bond and general obligation bond debt service requirements are being met by water and sewer revenues, but the County's taxing power is pledged to make the general obligation debt service payments if water and sewer revenues should ever be insufficient.

In the fund financial statements for governmental fund types, the face amount of debt issued is reported as other financing sources.

## **11. Compensated Absences**

The vacation policy of the County provides for the accumulation of up to thirty (30) days earned vacation leave. The compensatory time policy for overtime hours worked provides for time off in lieu of immediate overtime pay for covered nonexempt employees at the option of the County Manager. Time off may be accrued at the rate of one and one-half hours for each hour of overtime worked. The maximum compensatory time that may be accrued by an eligible employee shall be 480 hours (320 actual overtime hours) for nonexempt law enforcement and detention employees and 240 hours (160 actual overtime hours) for all other nonexempt employees. Once the maximums have been met, overtime compensation will be paid for any additional overtime hours worked.

County employees accrue holiday leave within the 12-month period of November 1st through October 31st. Employees must use their accrued holiday leave within the designated 12-month period. Each year, at the end of the pay period that includes October 31st, all unused holiday leave is forfeited.

Vacation leave, holiday leave and compensatory time are fully vested when earned. For the County's government-wide financial statements and in the proprietary fund types in the fund financial statements, an expense and a liability for these compensated absences and the salary-related payments are recorded within those funds as the leave is earned.

## **12. Sick Leave**

The County's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the County has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

## **13. Opioid Settlement Funds**

In April 2022, drug manufacturer Johnson & Johnson, and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health, finalized a \$26 billion-dollar nationwide settlement related to multiple opioid lawsuits. These funds will be disbursed to each participating state over an 18-year period according to an allocation agreement reached with all participating states. The majority of these funds are intended for opioid abatement and the distribution of the funds will be front loaded.

North Carolina's Memorandum of Agreement (MOA) between the state and local governments for the settlement funds allocates the funds as follows:

- 15% directly to the State ("State Abatement Fund")
- 80% to abatement funds established by Local Governments ("Local Abatement Funds")
- 5% to a County Incentive Fund.

Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. No funds have been expended as of June 30, 2023. The MOA offered the County two options of expending the funds. The County opted for Option A, which allows the County to fund one or more high-impact strategies from a list of evidence-based strategies to combat the opioid epidemic.

## 14. Reimbursements for Pandemic-related Expenditures

In FY 2021, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for the eligible state, local, territorial, and tribal governments. The County was allocated \$46,589,799 of fiscal recovery funds to be paid in two equal installments. The first installment of \$23,294,900 was received in June 2021. The second installment was received in June 2022. County staff and the Board of Commissioners have elected to use \$10,000,000 of the ARPA funds for revenue replacement, \$11,756,838 for rehiring public sector staff, \$5,934,318 for Covid mitigation, \$17,800,000 in strategic investments in County services, and \$1,098,643 in administration. Revenue replacement funds will be transferred to the appropriate funds once the intended use of the funds is determined.

## 15. Net Position / Fund Balances

### Net Position

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets, restricted, and unrestricted. Restricted net position represent constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through State statute.

### Fund Balances

In the governmental fund financial statements, fund balance is composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

**Non-spendable Fund Balance** - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

**Inventories and Prepaid Balances** - portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories and prepaid balances, which are not spendable resources.

**Restricted Fund Balance** - This classification includes revenue sources that are restricted to specific purposes externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or as imposed by law through constitutional provisions or enabling legislation.

**Restricted for Stabilization by State Statute** - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that was designed to improve and maintain the fiscal health of local government units. Restricted by State statute ("RSS"), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute." *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding

Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

**Restricted for Grants and Contributions** - portion of fund balance that is restricted by revenue source as delineated in the following tables by function and purpose.

**Committed Fund Balance** - Portion of fund balance that can only be used for specific purposes imposed by majority vote of the County's Board of Commissioners. Any changes or removal of specific purposes requires majority action by the Board of Commissioners. Such formal action may be in the form of an ordinance and may only be modified or rescinded by a subsequent formal action.

**Committed for Reserves - General Fund** - As part of the adopted budget ordinance, the Board of County Commissioners established a twenty-percent fund balance reserve requirement. This commitment is reaffirmed annually in the County's adopted budget.

**Assigned Fund Balance** - portion of fund balance that the County governing board has budgeted.

**Subsequent year's expenditures** - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body can approve these appropriations. Also, a resolution approved June 20, 2005 authorizes the County Manager, or his/her designee, to transfer appropriations between line item expenditures within a departmental appropriation and fund without limitation. The County Manager may also transfer amounts between departmental appropriations within the same fund. The County Manager is authorized to increase appropriations in the annual operating funds for carryovers representing contract balances, purchase order encumbrances and designations for special projects and purposes as reflected in the audit report.

**Assigned for General Capital Project Fund** - portion of fund balance that has been budgeted by the board for various projects as delineated in the following table by function and purpose.

**Unassigned Fund Balance** - portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. The General Fund is the only fund that reports a positive unassigned fund balance amount.

The County's standard practice when an expenditure is incurred for purposes which both restricted and unrestricted fund balance is available, the restricted funds should be spent first, followed in order by committed funds, then assigned funds, and finally unassigned funds, if available, unless the Board has provided otherwise in its commitment or assigned actions.

The following table provides the detailed fund balance information for fund balance amounts in Exhibit C:

Fund balances:	Major			Non-major	Total Governmental Funds
	General Fund	General Capital Project Fund	General Special Revenue Fund	Other Governmental Funds	
<b>Nonspendable:</b>					
Inventories	\$ 52,487	\$ -	\$ -	\$ -	\$ 52,487
Prepaid items	8,655	-	-	-	8,655
<b>Restricted:</b>					
Stabilization by State Statute	29,266,101	11,301,328	1,791,202	1,187,588	43,546,219
<b>General Government:</b>					
Register of Deeds automation enhancement funds	-	-	-	421,269	421,269
<b>Public Safety:</b>					
Civil Fees agency - pass through	-	-	-	8,885	8,885
Emergency management Catawba Nuclear grant funds	-	-	100,206	-	100,206
Emergency management admin	-	-	10,923	-	10,923
Communications PSAP funds	-	-	-	1,763,307	1,763,307
Fire protection	-	-	-	1,171,434	1,171,434
Law enforcement federal forfeited property funds	-	-	723,282	-	723,282
Law enforcement controlled substance tax funds	-	-	156,932	-	156,932
Law enforcement GHSP grant (Indian Trail)	-	-	48,588	-	48,588
<b>Economic and physical development:</b>					
County-wide economic development grants	-	-	190,716	-	190,716
Cooperative extension service fee based programs' funds	117,448	-	-	-	117,448
<b>Human Services:</b>					
American Rescue Plan investment earnings	-	-	1,671,016	-	1,671,016
Child Health	-	-	3,651	-	3,651
Medicaid cost settlement program funds	1,639,526	-	-	-	1,639,526
Opioid addiction treatment	-	-	-	1,240,142	1,240,142
Proceeds from DOT Grant funded transportation vehicle sale	157,447	-	-	-	157,447
Social services contribution and donation programs' funds	26,642	-	-	-	26,642
Social services federal adoption assistance grant funds	456,839	-	-	-	456,839
Social services agency - pass through	-	-	-	172,388	172,388
<b>Cultural and Recreational:</b>					
ARPA - Library State Grant	-	-	120,545	-	120,545
Library contribution and donation program funds	30,607	-	-	-	30,607
<b>Education:</b>					
School regular capital outlay	-	819,781	-	-	819,781
School capital acquisition and construction projects	-	172,242,473	-	-	172,242,473
<b>Committed:</b>					
Twenty percent reserve policy - General Fund	71,391,899	-	-	-	71,391,899
<b>Assigned:</b>					
<b>General Government:</b>					
Board of Elections renovations	-	716,394	-	-	716,394
County facility operating capital	-	881,650	-	-	881,650
County facility repairs	-	1,688,359	-	-	1,688,359
Government Center Building Envelope Repairs	-	949,784	-	-	949,784
Government Center Electrical Infrastructure	-	859,148	-	-	859,148
Government Center Liebert unit replacement	-	40,000	-	-	40,000
Historic courthouse renovations - Phase I	-	144,402	-	-	144,402
Historic courthouse renovations - Phase II	-	1,725,000	-	-	1,725,000
Information technology infrastructure projects	-	639,885	-	-	639,885
Information technology phone system upgrade	-	107,768	-	-	107,768
Judicial Center generator replacement	-	225,000	-	-	225,000
Judicial Center server room split system	-	66,145	-	-	66,145
Pictometry Ph 3	-	237,204	-	-	237,204
Public records request system	-	26,617	-	-	26,617
Radio install shop	-	942,604	-	-	942,604
Radio towers HVAC	-	64,000	-	-	64,000
UC Progress Building	-	154,902	-	-	154,902
UC Progress Building Ph 2	-	100,000	-	-	100,000
UCPS generator replacement	-	121,649	-	-	121,649
UPS infrastructure upgrades and replacements	-	137,902	-	-	137,902
<b>Public Safety:</b>					
Emergency management equipment	-	7,568	-	-	7,568
Emergency Services Complex	-	838,762	-	-	838,762
Law enforcement animal shelter UPS system replacement	-	30,000	-	-	30,000
Law enforcement crime lab	-	652,192	-	-	652,192
Law enforcement jail block renovations	-	1,950,000	-	-	1,950,000
Law enforcement jail commercial washer & dryer replacement	-	424,850	-	-	424,850
Law enforcement jail domestic water source	-	65,000	-	-	65,000
Law enforcement jail door controls and locks	-	2,801,729	-	-	2,801,729
Law enforcement jail generator replacement	-	294,746	-	-	294,746
Law enforcement sheriff's office R&R	-	658,840	-	-	658,840
Law enforcement sheriff's office renovation and expansion	-	684,995	-	-	684,995
Law enforcement sheriff's operating capital	-	424,990	-	-	424,990
Radio backhaul	-	5,065	-	-	5,065
Radio towers and microwave replacements	-	1,675,423	-	-	1,675,423
Radio microwave replacement	-	225,656	-	-	225,656
Volunteer Fire Department air packs	-	359,413	-	-	359,413
<b>Economic and physical development:</b>					
Ag Center generator	-	350,000	-	-	350,000
EDC BARN project	-	400,000	-	-	400,000
EDC Industrial Park	-	97,090	-	-	97,090
Planning NC DOT projects	-	400,000	-	-	400,000
<b>Education:</b>					
SPCC access controls	-	1,903,988	-	-	1,903,988
SPCC Aseptic Training Center	-	4,696,319	-	-	4,696,319

SPCC access controls	-	1,903,988	-	-	1,903,988
SPCC Aseptic Training Center	-	4,696,319	-	-	4,696,319
SPCC Braswell Building HVAC	-	126,840	-	-	126,840
SPCC building A renovations	-	7,539,125	-	-	7,539,125
SPCC building A restrooms	-	100,626	-	-	100,626
SPCC building B renovations	-	1,724,821	-	-	1,724,821
SPCC camera system	-	189,728	-	-	189,728
SPCC campus improvement Ph 1	-	271,129	-	-	271,129
SPCC west UC classroom building	-	6,175,100	-	-	6,175,100
SPCC parking	-	345,000	-	-	345,000
SPCC parking lot resurfacing	-	467,100	-	-	467,100
SPCC STEM building	-	899,495	-	-	899,495
Cultural and Recreational:					
Libraries Main Library metal architectural panel replacement	-	846,672	-	-	846,672
Libraries Southwest Union Library	-	5,266,814	-	-	5,266,814
Parks and recreation Cane Creek Park campstore	-	671,391	-	-	671,391
Parks and Recreation Cane Creek Park renovation	-	34,497	-	-	34,497
Parks and recreation Event Center JHP	-	882,460	-	-	882,460
Parks and Recreation JHP amenities improvements	-	500,000	-	-	500,000
Parks and recreation R&R	-	52,478	-	-	52,478
Nondepartmental pay-go-capital funds	-	678,774	-	-	678,774
Subsequent year's expenditures	22,169,876	-	-	-	22,169,876
Unassigned	42,363,037	(11,353,908)	(1,928,875)	(17,487)	29,062,767
Total	<u>\$ 167,680,564</u>	<u>\$ 228,556,763</u>	<u>\$ 2,888,186</u>	<u>\$ 5,947,526</u>	<u>\$ 405,073,039</u>

The following table provides the detailed fund balance information for the General Fund balance amounts in Schedule 9:

	General Fund	Debt Service Budgetary Fund	Economic Development Fund	Total General Fund
Fund balances:				
Nonspendable:				
Inventories	\$ 52,487	\$ -	\$ -	\$ 52,487
Prepaid items	8,655	-	-	8,655
Restricted:				
Stabilization by State Statute	28,398,043	867,686	372	29,266,101
Economic and physical development:				
Cooperative extension service fee based programs' funds	117,448	-	-	117,448
Human Services:				
Medicaid cost settlement program funds	1,639,526	-	-	1,639,526
Proceeds from DOT Grant funded transportation vehicle sale	157,447	-	-	157,447
Social services contribution and donation programs' funds	26,642	-	-	26,642
Social services federal adoption assistance grant funds	456,839	-	-	456,839
Cultural and Recreational:				
Library contribution and donation program funds	30,607	-	-	30,607
Committed:				
Twenty percent reserve policy - General Fund	71,391,899	-	-	71,391,899
Assigned:				
Subsequent year's expenditures	20,834,010	1,304,050	31,816	22,169,876
Unassigned	17,160,791	18,511,791	6,690,455	42,363,037
Total	<u>\$ 140,274,394</u>	<u>\$ 20,683,527</u>	<u>\$ 6,722,643</u>	<u>\$ 167,680,564</u>

The following table provides the detailed fund balance information for fund balance amounts in Schedule 1:

	Allens Crossroad Fire District Fund	Bakers Fire District Fund	Beaver Lane Fire District Fund	Fairview Fire District Fund	Griffith Fire District Fund	Hemby Bridge Fire District Fund	Jackson Fire District Fund	Lanes Creek Fire District Fund	New Salem Fire District Fund	Providence Fire District Fund
Fund balances:										
Restricted:										
Stabilization by State Statute	\$ 13,756	\$ 64,015	\$ 33,695	\$ 14,955	\$ 3,881	\$ 150,788	\$ 11,808	\$ 11,509	\$ 28,793	\$ 2,510
General Government:										
Register of Deeds automation enhancement funds	-	-	-	-	-	-	-	-	-	-
Public Safety:										
Civil Fees agency - pass through	-	-	-	-	-	-	-	-	-	-
Communications PSAP funds	-	-	-	-	-	-	-	-	-	-
Fire protection	23,804	77,049	56,143	(1,475)	11,427	136,176	11,022	10,409	29,092	21,573
Human Services:										
Opioid addiction treatment	-	-	-	-	-	-	-	-	-	-
Social services agency - pass through	-	-	-	-	-	-	-	-	-	-
Assigned:										
Subsequent year's expenditures	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
	<u>\$ 37,560</u>	<u>\$ 141,064</u>	<u>\$ 89,838</u>	<u>\$ 13,480</u>	<u>\$ 15,308</u>	<u>\$ 286,964</u>	<u>\$ 22,830</u>	<u>\$ 21,918</u>	<u>\$ 57,885</u>	<u>\$ 24,083</u>

	Sandy Ridge Fire District Fund	Springs Fire District Fund	Stack Road Fire District Fund	Stallings Fire District Fund	Unionville Fire District Fund	Waxhaw Fire District Fund	Wesley Chapel Fire District Fund	Wingate Fire District Fund	Fee Supported Fire Districts Fund	Emergency Telephone System Fund
Fund balances:										
Restricted:										
Stabilization by State Statute	\$ 13,231	\$ 68,705	\$ 12,739	\$ 136,382	\$ 62,044	\$ 130,132	\$ 224,102	\$ 34,530	\$ 1	\$ 152,525
General Government:										
Register of Deeds automation enhancement funds	-	-	-	-	-	-	-	-	-	-
Public Safety:										
Civil Fees agency - pass through	-	-	-	-	-	-	-	-	-	-
Communications PSAP funds	-	-	-	-	-	-	-	-	-	1,763,307
Fire protection	11,313	82,267	16,077	134,341	146,427	72,205	184,192	47,309	102,083	-
Human Services:										
Opioid addiction treatment	-	-	-	-	-	-	-	-	-	-
Social services agency - pass through	-	-	-	-	-	-	-	-	-	-
Assigned:										
Subsequent year's expenditures	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
	<u>\$ 24,544</u>	<u>\$ 150,972</u>	<u>\$ 28,816</u>	<u>\$ 270,723</u>	<u>\$ 208,471</u>	<u>\$ 202,337</u>	<u>\$ 408,294</u>	<u>\$ 81,839</u>	<u>\$ 102,084</u>	<u>\$ 1,915,832</u>

	DSS Representative Payee Fund	Opioid Settlement Fund	(ROD) Automation Enhancement Fund	Fines & Forfeitures Fund	Civil Fees Fund	Total Special Revenue Funds
Fund balances:						
Restricted:						
Stabilization by State Statute	\$ -	\$ -	\$ -	\$ 17,487	\$ -	\$ 1,187,588
General Government:						
Register of Deeds automation enhancement funds	-	-	421,269	-	-	421,269
Public Safety:						
Civil Fees agency - pass through	-	-	-	-	8,885	8,885
Communications PSAP funds	-	-	-	-	-	1,763,307
Fire protection	-	-	-	-	-	1,171,434
Human Services:						
Opioid addiction treatment	-	1,240,142	-	-	-	1,240,142
Social services agency - pass through	172,388	-	-	-	-	172,388
Assigned:						
Subsequent year's expenditures	-	-	-	-	-	-
Unassigned	-	-	-	(17,487)	-	(17,487)
	<u>\$ 172,388</u>	<u>\$ 1,240,142</u>	<u>\$ 421,269</u>	<u>\$ -</u>	<u>\$ 8,885</u>	<u>\$ 5,947,526</u>

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus when program expenses are incurred, there are both restricted and unrestricted fund balances available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

State law [G.S. 159-13(b)(16)] restricts the appropriation of fund balance to an amount not to exceed the sum of cash and investments minus the sum of liabilities, encumbrances and deferred revenues arising from cash receipts, as these amounts stand at the close of the fiscal year next preceding the budget year.

Union County has adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the County in such a manner that the fund balance policy level is at least equal to or greater than 20% of the adopted General Fund budgets. This policy is adopted annually on the adoption of the Budget Ordinance. Any portion of the General Fund unassigned fund balance above the fund balance policy level of 20% of the combined budgeted expenditures may be appropriated for one-time expenditures or to reduce long-term liabilities.

The County has also adopted fund balance targets for the maintenance of adequate fund balance, which is necessary to provide working capital, funds for unanticipated expenditures, funds for capital expenditures in advance of their reimbursement from debt proceeds and other revenue sources. The Water and Sewer Operating Fund target fund balances are estimated at 365 days cash on hand, as measured by unrestricted cash and investments minus non-GAAP liabilities divided by operating expenses to include depreciation. General Fund and Water and Sewer Operating Fund fund balances in excess of target levels will be transferred to capital reserve funds to provide equity resources to fund the County's capital improvement plan or will be used to redeem outstanding debt.

**17. Defined Benefit Pension and OPEB Plans**

The County participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System ("LGERS") and the Registers of Deeds' Supplemental Pension Fund ("RODSPF") collectively the "state-administered defined benefit pension plans". The County also administers a single employer defined benefit plan; the Special Separation Allowance (for Law Enforcement and eligible General class employees) and a single employer defined benefit plan; the Other Postemployment Retiree Healthcare Benefits plan (OPEB). For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. Investments are reported at fair value.

**NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.**

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that long-term liabilities, including bonds and installment financing payables are not due and payable in the current period, and therefore, are not recorded in the funds. The details of this \$500,466,097 difference are as follows:

Description	Amount
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements:	
Bonds and installment financing principal payments	\$ (496,345,824)
Accrued interest payable	(4,120,273)
Net adjustment attributable to liabilities not recorded in the fund statements	<u>\$ (500,466,097)</u>



**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.**

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$(110,866,058) as follows:

Description	Amount
Capital outlay and right to use assets expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 23,641,791
Depreciation/amortization expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(10,435,398)
Net book value of capital assets disposed of	(45,836)
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The details of these differences are as follows:</p>	
Principal payments on debt	36,669,000
Proceeds of debt instruments	(182,261,854)
Debt issuance premium amortization	4,427,143
Debt issuance deferred inflows of gain amortization	367,656
Debt issuance refunding gain	(2,997,574)
Issuance of lease liability	(1,379,623)
Issuance of subscription liability	(3,004,974)
Remittance of funds to escrow agent to pay principal to defease debt instruments	25,520,000
Swap termination costs are recorded as a use of funds on the fund statements but again do not affect the Statement of Net Position in the government-wide statements until amortized	(1,013,397)
Defeasance amortization over remaining life of debt	(3,182,158)
Lease principal expense	335,600
Subscriptions principal expense	921,459
Accrued interest payable related to lease and subscription agreements	(19,994)
<p>The county enters into long-term lease arrangements that provides current financial resources to governmental funds, while the lease payment consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. The amount is the net effect of these differences in the treatment of long-term leases.</p>	
	209,997
<p>Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements.</p>	
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	(507,221)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(142,460)
Arbitrage rebate	(26,029)
County's portion of collective pension expense	(15,206,678)
County's other post employment benefit expense	6,271,908
Contribution to the pension plan in the current fiscal year	9,030,535
<p>Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.</p>	
Reversal of deferred tax revenue recorded at 7/1/22	(452,212)
Recording of tax receipts deferred in the fund statements as of 6/30/23	1,009,644
Decrease in accrued taxes receivable for year ended 6/30/23	(578,566)
Accrued interest receivable on leases	(16,978)

Internal service funds' net investment earnings	193,265
Health and dental insurance costs, net of investment earnings	1,884,869
Workers' compensation costs, net of investment earnings	(142,102)
Property and casualty costs, net of investment earnings	<u>64,129</u>
Net adjustment to increase net changes in fund balances-total governmental funds to arrive at changes in net position-governmental activities	<u>\$ (110,866,058)</u>

### NOTE 3 - DEPOSITS AND INVESTMENTS

The County pools cash resources into a centralized cash account (Central Depository) to facilitate the management of cash and maximize investment income. The Central Depository is used by all funds except the Social Services Fund, Sheriff's Office Civil Fee Fund and the Jail Inmate Fund and the portion of the Other Postemployment Retiree Healthcare Benefits (OPEB) Pension Trust Fund that has not yet been remitted to the OPEB Trust managed by the staff of the Department of the State Treasurer (as explained in Note 1. E. 1.). Each fund owns a pro rata share of the cash and investments, and the amount applicable to a particular fund is readily identifiable. Allocation of investment income is made to each fund based on its pro rata share.

The Social Services Fund, the Union County Sheriff's Office Civil Fees Fund and the Jail Inmate Fund monies are each held in official depositories of the County in separate accounts for the benefit of certain individuals.

All of the County's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's agent in the County's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, these deposits are considered to be held by the County's agent in the County's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County relies on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County does not have policies regarding custodial credit risk for deposits.

At June 30, 2023, the County's deposits had a carrying amount of \$17,302,990 and a bank balance of \$19,210,471. Of the bank balance, \$443,895 was covered by federal depository insurance and \$18,766,576 in interest bearing deposits were covered by collateral held under the Pooling Method. Also, at June 30, 2023, the County had \$10,160 cash on hand.

As of June 30, 2023, the County had the following investments and maturities.

Investment Type	Valuation Measurement Method	Fair Value	Less Than			
			6 Months	6 - 12 Months	1 - 3 Years	3 - 5 Years
NC Cash Management Trust - Government Portfolio	Fair Value - Level 1	\$ 545,521,030	\$ 545,521,030	\$ -	\$ -	\$ -
North Carolina Investment Pool	Fair Value - Level 1	20,245,945	20,245,945	-	-	-
US Treasuries	Fair Value - Level 1	9,719,884	3,012,636	-	-	6,707,248
US Government Agencies	Fair Value - Level 1	42,557,366	3,967,057	3,060,005	28,129,666	7,400,638
<b>Total</b>		<u>\$ 618,044,225</u>	<u>\$ 572,746,668</u>	<u>\$ 3,060,005</u>	<u>\$ 28,129,666</u>	<u>\$ 14,107,886</u>

All investments are measured using the market value approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

*Level of fair value hierarchy:* Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level Two debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The cash and investments described above include those recorded in the County's Statement of Net Position (\$635,275,383) and Custodial Funds (\$81,992).

Also, at June 30, 2023, the Special Separation Allowance Pension Trust Fund deposits had a carrying amount and bank balance of \$5,118,983 as shown on the Statement of Fiduciary Net Position.

Also, at June 30, 2023, the Other Postemployment Retiree Healthcare Benefits (OPEB) Pension Trust Fund deposits had a carrying amount and bank balance of \$61,698,125 as shown on the Statement of Fiduciary Net Position.

*Interest Rate Risk.* As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy limits investments to maturities of no more than five years. Also, the County's investment policy requires purchases of securities to be laddered with staggered maturity dates and limits all securities to a final maturity of no more than five years.

*Credit Risk.* The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs); however, the County has no formal policy on managing credit risk. As of June 30, 2023, the County had no investments in commercial paper. The North Carolina Capital Management Trust (NCCMT) is a SEC registered money market mutual fund allowable by G.S. 159-30(c)8. The NCCMT Government Portfolio, which invests in treasuries and governmental agencies, is a money market mutual fund (2a-7) and maintains an AAAM rating from S&P and AAAMf by Moody's Investor Service. The NCCMT Government Portfolio is reported at fair value. The North Carolina Investment Pool (NCIP or Pool) is a commingled local government investment pool established to invest idle funds in various short-term investments in accordance with NC G.S. 159-30(c)(10). The County's investment in the North Carolina Investment Pool carried a AAAM by Standard & Poor's and AAAMf by Fitch as of June 30, 2023. As of June 30, 2023, the County's investments in US Treasuries and US Agencies (Federal Home Loan Bank, Federal Farm Credit Bank, Fannie Mae and Freddie Mac) are rated AA+ by Standard & Poor's, AAA by Fitch Ratings, and Aaa by Moody's Investors Service.

*Custodial Credit Risk.* For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County has no investments with custodial credit risk. The County has no policy on custodial credit risk.

*Concentration of Credit Risk – Cash and Investments.* The County has adopted a policy stating that of total cash and investments, the County places a limit of 10 percent on the amount that the County may invest in any one issuer of commercial paper, no more exposure than 25 percent in commercial paper, and no limitations on Federal Agencies. At June 30, 2023, the County was not holding more than 10 percent of the total cash and investments portfolio in any one issuer of commercial paper.

*Concentration of Credit Risk – Investments.* As of June 30, 2023, more than 5% of the County's investments are in Federal National Mortgage Association. These investments are 5.65% of the County's total investments.

At June 30, 2023, the County's Other Postemployment Retiree Healthcare Benefits (OPEB) Pension Trust Fund had \$61,698,125 invested in the State Treasurer's Local Government Other Post-Employment Benefits (OPEB) Trust Fund pursuant to G.S. 159-30.1. The amount, valued at fair market value, represents a portion of the County's contribution to the net OPEB liability. The State Treasurer's OPEB Trust may invest in public equities and both long-term and short-term fixed income obligations as determined by the State Treasurer pursuant to the General Statutes. At year-end, the State Treasurer's OPEB Trust was invested as follows: State Treasurer's Short-Term Investment Fund (STIF) 21.94%; State Treasurer's Bond Index Fund (BIF) 32.88%; and Black Rock's MSCI ACWI EQ Index Non-Lendable Class B Fund 45.18% (the equities were split with 62.20% in domestic securities and 37.80% in international securities).

*Interest Rate Risk:* The County does not have a formal investment interest rate policy that manages its exposure to fair value losses arising from increasing interest rates. Ownership of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. STIF investments are valued by the custodian using Level 2 inputs which in this case involves inputs—other than quoted prices—included within Level 1 that are either directly or indirectly observable for the asset or liability. The STIF is valued at \$1 per share. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2023 of 0.7 years.

Ownership of the BIF is determined monthly at fair value using the same Level 2 inputs as the STIF and is based upon units of participation. Units of participation are calculated monthly based upon inflows and outflows as well as allocations of net earnings. On June 30, 2023, the BIF, which does not have a credit rating, was valued at \$1 per unit and had an average maturity of 8.70 years at June 30, 2023.

The BlackRock's MSCI ACWI EQ Index Non-Lendable Class B fund, authorized under G.S. 147-69.2(b)(8), is a common trust fund considered to be commingled in nature. The Fund's fair value is the number of shares times the net asset value as determined by a third party. At June 30, 2023 the fair value of the funds was \$ 31.815788 per share. Fair value for this Blackrock fund is determined using Level 1 inputs which are directly observable, quoted prices (unadjusted) in active markets for identical assets or liabilities.

*Credit Risk:* The County does not have a formal investment policy regarding credit risk for the OPEB Pension Trust Fund invested in the State Treasurer's Local Government OPEB Trust Fund. The STIF is unrated and authorized under NC General Statute 159-30(c)(8). The State Treasurer's STIF is

invested in highly liquid fixed income securities consisting primarily of short to intermediate treasuries, agencies, and money market instruments. The BIF is unrated and authorized under NC General Statute 147-69.1 and 147-69.2. The State Treasurer's BIF is invested in high quality debt securities eligible under G.S. 147-69.2(b)(1)-(6).

*Valuation technique:* North Carolina Department of State Treasurer OPEB Trust investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or a group of assets.

**NOTE 4 - RECEIVABLES**

**A. Receivables and Allowances for Doubtful Accounts**

Receivables and their associated allowance for doubtful accounts at the government-wide level at June 30, 2023, were as follows:

	Accounts	Taxes and Related Accrued Interest	Total
<b>Governmental Activities:</b>			
General	\$ 28,600,307	\$ 1,336,460	\$ 29,936,767
Capital Projects	814,095	-	814,095
Major Special Revenue	623,148	55,929	679,077
Non-Major Special Revenue	1,062,588	-	1,062,588
Internal Service	14,877	-	14,877
Total Receivables	<u>31,115,015</u>	<u>1,392,389</u>	<u>32,507,404</u>
Allowance for doubtful accounts	-	(247,214)	(247,214)
Total-governmental activities	<u>\$ 31,115,015</u>	<u>\$ 1,145,175</u>	<u>\$ 32,260,190</u>
<b>Business-type Activities:</b>			
Water and Sewer	\$ 16,220,169	\$ -	\$ 16,220,169
Solid Waste	1,067,275	-	1,067,275
Total Receivables	<u>17,287,444</u>	<u>-</u>	<u>17,287,444</u>
Allowance for doubtful accounts	(783,249)	-	(783,249)
Total-business-type activities	<u>\$ 16,504,195</u>	<u>\$ -</u>	<u>\$ 16,504,195</u>

**B. Property Tax - Use-Value Assessment on Certain Lands**

In accordance with the general statutes, the County may tax agriculture, horticulture, and forestland at the present-use value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with the accrued interest from the original due date. This tax is immediately due and payable. The following are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

Fiscal Year	Tax Year	Tax	Interest	Total
2019	2018	\$ 7,697,476	\$ 442,605	\$ 8,140,081
2020	2019	7,540,980	433,606	7,974,586
2021	2020	7,490,120	430,682	7,920,802
2022	2021	7,292,237	419,304	7,711,541
2023	2022	7,249,148	416,826	7,665,974
		<u>\$ 37,269,961</u>	<u>\$ 2,143,023</u>	<u>\$ 39,412,984</u>

### C. Lease Receivables

Union County's lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the County receives predetermined lease payments. These payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Fiscal Year	Lease Payment	Interest Income	Lease Revenue
2024	\$ 6,226,660	\$ 3,982,726	\$ 2,243,933
2025	6,222,610	3,924,858	2,297,753
2026	6,222,610	3,865,507	2,357,103
2027	6,284,836	3,804,623	2,480,213
2028	6,284,836	3,740,559	2,544,277
2029-2033	31,549,877	17,680,776	13,869,101
2034-2038	31,865,376	15,777,952	16,087,424
2039-2043	32,184,030	13,573,278	18,610,752
2044-2048	32,505,870	11,025,271	21,480,599
2049-2053	32,830,929	8,086,807	24,744,122
2054-2058	33,159,238	4,704,342	28,454,896
2059-2062	20,014,440	991,099	19,023,341
Total	<u>\$ 245,351,312</u>	<u>\$ 91,157,798</u>	<u>\$ 154,193,514</u>

**NOTE 5 - CAPITAL ASSETS**

Capital asset activity for the governmental activities for the year ended June 30, 2023 was as follows:

	Beginning Balances	Additions	Retirements & Adjustments	Transfers	Ending Balances
Governmental activities:					
Capital assets not being depreciated/amortized:					
Land	\$ 19,819,646	\$ -	\$ -	\$ -	\$ 19,819,646
Construction in progress	44,423,182	13,055,417	-	(49,215,568)	8,263,031
Total capital assets not being depreciated	<u>64,242,828</u>	<u>13,055,417</u>	<u>-</u>	<u>(49,215,568)</u>	<u>28,082,677</u>
Capital assets being depreciated/amortized:					
Other improvements	8,969,373	9,868	-	-	8,979,241
Buildings	118,037,399	532,198	-	48,341,430	166,911,027
Furniture and equipment	38,472,945	2,567,172	70,327	874,138	41,843,928
Vehicles	15,281,443	3,092,540	270,685	-	18,103,298
Computer software	910,583	-	-	-	910,583
Right-to-use lease asset - buildings	618,766	256,579	-	-	875,345
Right-to-use lease asset - equipment	-	1,175,814	-	-	1,175,814
Right-to-use subscription asset	-	3,004,974	-	-	3,004,974
Total capital assets being depreciated/amortized	<u>182,290,509</u>	<u>10,639,145</u>	<u>341,012</u>	<u>49,215,568</u>	<u>241,804,210</u>
Less accumulated depreciation/amortization for:					
Other improvements	5,564,383	293,630	-	-	5,858,013
Buildings	50,378,773	4,815,064	-	-	55,193,837
Furniture and equipment	32,910,616	1,968,109	67,828	-	34,810,897
Vehicles	10,143,894	1,942,568	227,347	-	11,859,115
Computer software	711,600	104,186	-	-	815,786
Lease asset - buildings	177,853	180,220	-	-	358,073
Lease asset - equipment	-	173,004	-	-	173,004
Subscription asset	-	958,617	-	-	958,617
Total accumulated depreciation/amortization	<u>99,887,119</u>	<u>10,435,398</u>	<u>295,175</u>	<u>-</u>	<u>110,027,342</u>
Total capital assets, net	<u>82,403,390</u>	<u>203,747</u>	<u>45,837</u>	<u>49,215,568</u>	<u>131,776,868</u>
Governmental activities capital assets, net	<u>\$ 146,646,218</u>	<u>\$ 13,259,164</u>	<u>\$ 45,837</u>	<u>\$ -</u>	<u>\$ 159,859,545</u>

Transfer of \$49,215,568 from construction in progress includes completed projects for the new UCSO Building and Emergency Services Complex, these were put in service during 2023.

Depreciation and amortization expense was charged to functions/programs of the primary government as follows:

General government	\$ 3,222,130
Public safety	4,450,387
Economic and physical development	246,930
Human services	1,582,075
Education	76,220
Cultural and recreational	857,656
Total depreciation/amortization expense	<u>\$ 10,435,398</u>

Capital asset activity for the business-type activities for the year ended June 30, 2023, was as follows:

Business-type activities:	Beginning Balances	Additions	Retirements and Adjustments		Ending Balances
			Transfers		
<b>Water and Sewer</b>					
Capital assets not being depreciated:					
Land	\$ 2,758,938	\$ -	\$ -	\$ 4,689,006	\$ 7,447,944
Land - easements	1,113,633	-	-	-	1,113,633
Construction in progress	257,413,672	138,069,674	303,550	(20,079,522)	375,100,274
Total capital assets not being depreciated	261,286,243	138,069,674	303,550	(15,390,516)	383,661,851
Capital assets being depreciated/amortized:					
Plant and collection systems	306,281,521	3,734,745	(16,248)	374,003	310,406,517
Plant and distribution systems	190,075,314	2,767,105	-	15,016,513	207,858,932
Water rights (intangible asset)	1,902,757	-	-	-	1,902,757
Administration Building	10,833,210	-	-	-	10,833,210
Equipment	5,472,719	402,798	37,450	-	5,838,067
Vehicles	5,143,729	1,118,165	-	-	6,261,894
Computer Software	107,907	-	-	-	107,907
Right-to-use lease asset - equipment	-	81,947	-	-	81,947
Right-to-use subscription asset	-	157,370	-	-	157,370
Total capital assets being depreciated/amortized	519,817,157	8,262,130	21,202	15,390,516	543,448,601
Less accumulated depreciation/amortization for:					
Plant and collection systems	148,980,547	11,506,196	-	-	160,486,743
Plant and distribution systems	84,375,972	7,271,728	-	-	91,647,700
Water rights intangible asset	1,438,961	47,569	-	-	1,486,530
Administration Building	2,139,911	293,170	-	-	2,433,081
Equipment	3,369,443	423,839	36,883	-	3,756,399
Vehicles	3,606,961	526,856	-	-	4,133,817
Computer Software	190,223	-	-	-	190,223
Lease asset - equipment	-	12,056	-	-	12,056
Subscription asset	-	79,187	-	-	79,187
Total accumulated depreciation/amortization	244,102,018	20,160,601	36,883	-	264,225,736
Total capital assets, net	275,715,139	(11,898,471)	(15,681)	15,390,516	279,222,865
Water and Sewer capital assets, net	537,001,382	126,171,203	287,869	-	662,884,716
<b>Solid Waste</b>					
Capital assets not being depreciated:					
Land	334,257	-	-	-	334,257
Construction in progress	160,553	65,575	-	-	226,128
Total capital assets no being depreciated	494,810	65,575	-	-	560,385
Capital assets being depreciated/amortized:					
Other improvements	1,243,334	-	-	-	1,243,334
Plant and collection systems	2,368,199	-	-	-	2,368,199
Equipment	4,256,532	387,118	-	-	4,643,650
Vehicles	863,642	39,137	-	-	902,779
Right-to-use lease asset - equipment	-	4,925	-	-	4,925
Total capital assets being depreciated/amortized	8,731,707	431,180	-	-	9,162,887
Less accumulated depreciation/amortization for:					
Other improvements	631,023	55,012	-	-	686,035
Plant and collection systems	2,009,303	23,077	-	-	2,032,380
Equipment	2,109,940	426,807	-	-	2,536,747
Vehicles	532,748	73,587	-	-	606,335
Lease asset - equipment	-	725	-	-	725
Total accumulated depreciation/amortization	5,283,014	579,208	-	-	5,862,222
Total capital assets, net	3,448,693	(148,028)	-	-	3,300,665
Solid Waste capital assets, net	3,943,503	(82,453)	-	-	3,861,050
Business-type activities capital assets, net	\$ 540,944,885	\$ 126,088,750	\$ 287,869	\$ -	\$ 666,745,766

**NOTE 6 - LIABILITIES**

Payables at the government-wide level at June 30, 2023 including liabilities payable from restricted assets, were as follows:

Payables:	Governmental Activities	Business Type Activities	Total
Vendors	\$ 13,671,307	\$ 23,649,870	\$ 37,321,177
Salaries and benefits	4,480,118	680,341	5,160,459
Accrued Interest	4,166,296	1,227,871	5,394,167
Total	\$ 22,317,721	\$ 25,558,082	\$ 47,875,803



## NOTE 7 - PENSION PLAN OBLIGATIONS

### A. Local Governmental Employees' Retirement System

*Plan Description.* The County is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2023, was 13.00% of compensation for law enforcement officers and 12.10% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is

expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$10,002,124 for the year ended June 30, 2023.

*Refunds of Contributions.* County employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2023, the County reported a liability of \$55,424,774 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At the measurement date of June 30, 2022, the County's proportion was 0.982%, which was an increase of 0.027% from its proportion measured as of June 30, 2021.

For the fiscal year ended June 30, 2023, the County recognized a pension expense of \$16,248,597. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,388,203	\$ 234,150
Changes of assumptions	5,530,149	-
Net difference between projected and actual earnings on pension plan investments	18,318,468	-
Changes in proportion and differences between County contributions and proportionate share of contributions	873,907	-
County contributions subsequent to the measurement date	10,002,124	-
Total	\$ 37,112,851	\$ 234,150

\$10,002,124 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$ 8,741,916
2025	7,255,038
2026	2,152,363
2027	8,727,260
Total	<u>\$ 26,876,577</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.25 to 8.25 percent
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer), and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The mortality rates also contain a provision to reflect future mortality improvements. The actuarial assumptions used in the December 31, 2021 were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0 %	1.1 %
Global Equity	42.0 %	6.5 %
Real Estate	8.0 %	5.9 %
Alternatives	8.0 %	7.5 %
Credit	7.0 %	5.0 %
Inflation Protection	6.0 %	2.7 %
Total	<u>100.0 %</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County’s proportionate share of the net pension asset to changes in the discount rate.* The following presents the County’s proportionate share of the net pension asset calculated using the discount rate of 6.50 percent, as well as what the County’s proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
County's proportionate share of the net pension liability (asset)	\$100,034,578	\$55,424,774	\$18,663,704

*Pension plan fiduciary net position.* Detailed information about the pension plan’s fiduciary net position is available in the separately issued Annual Comprehensive Financial Report (ACFR) for the State of North Carolina.

**B. Special Separation Allowance**

**Description**

The County administers a public employee retirement system (the “Separation Allowance”), a single-employer defined benefit pension plan that provides retirement benefits to the County’s qualified employees. The Separation Allowance was enacted by the General Assembly on January 1, 1987 for law enforcement officers. The Union County Board of Commissioners extended this benefit to all County employees effective July 1, 1990. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the employee for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Separation Allowance is reported in the County’s report as a pension trust fund. The Separation Allowance does not issue separate financial statements. The net position and change of net position for the Separation Allowance Trust as of June 30, 2023 is as follows:

	<u>Statement of Fiduciary Net Position</u>
<b>ASSETS</b>	
Investments:	
Seperation Allowance Trust Fund	\$ 5,118,983
Total Assets	<u>5,118,983</u>
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	\$ 1,872
Advances from other funds	1,367
Total Liabilities	<u>\$ 3,239</u>
<b>Net Position</b>	
Seperation Allowance Trust Fund	\$ 5,115,744
Total Net Position	<u>5,115,744</u>
	<u>Changes in Net Position</u>
<b>ADDITIONS</b>	
Employer Contributions	\$ 1,939,454
Total Additions	<u>1,939,454</u>
<b>DEDUCTIONS</b>	
Benefits	1,499,150
Total Deductions	<u>1,499,150</u>
Change in net position	<u>440,304</u>
<b>NET POSITION</b>	
Beginning	4,675,440
Ending	<u>\$ 5,115,744</u>

Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. General Statute 159.30.2 authorizes a local government to establish and fund an irrevocable trust for the purpose of paying special separation allowance benefits for which the unit of local government is liable. The County established an irrevocable trust for the Separation Allowance plan on June 6, 2016.

The eligibility of local law enforcement officers for special separation allowance shall be determined in accordance with North Carolina General Statute 143-166.42. All permanent full-time and permanent part-time County employees employed before July 1, 2013 are covered by the Separation Allowance. To qualify for the allowance the employee must have completed 30 years or more of creditable service or have attained 55 years of age and completed five or more years of creditable service; and not have attained 62 years of age; and have completed at least five years of continuous service preceding a service retirement.



equal to the index rate for 20-year tax-exempt general obligation municipal bonds with an average rating AA/Aa or higher. The index used for this purpose is the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2022.

The projection of cash flows used to determine the discount rate assumed that the employer would contribute the actuarially determined contribution in the future. The long-term expected rate of return on pension plan investments is assumed to be 4.31% annually.

### Net Pension Liability

The components of the net pension liability of the County as of June 30, 2023 are as follows:

Total pension liability	\$ 18,734,002
Plan fiduciary assets	4,765,519
Net pension liability	<u>\$ 13,968,483</u>
Plan fiduciary assets as a percentage of total pension liability	25.44%

At June 30, 2023, the County reported a net pension liability of \$13,968,483. The net pension liability was measured as of December 31, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of December 31, 2022.

For the fiscal year ended June 30, 2023, the County recognized pension expense in the amount of \$2,395,416. As of the December 31, 2022 measurement date, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,987,179	\$ -
Changes of assumptions and other inputs	2,005,527	2,976,390
Net difference between projected and actual earnings on plan investments	190,125	-
Employer contributions subsequent to the measurement date	353,464	-
Total	<u>\$ 4,536,295</u>	<u>\$ 2,976,390</u>

\$353,464 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an decrease of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Deferred Outflows of Resources	Deferred Inflows of Resources	Amount recognized in Pension Expense as an increase or (decrease) to Pension
2024	\$ 1,859,465	\$ 752,335	\$ 1,107,130
2025	1,540,343	733,572	806,771
2026	520,293	733,572	(213,279)
2027	232,969	650,538	(417,569)
2028	29,761	106,373	(76,612)
Total	<u>\$ 4,182,831</u>	<u>\$ 2,976,390</u>	<u>\$ 1,206,441</u>

### Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan, calculated using the discount rate of percent, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1- percentage-point lower or 1-percentage-point higher than the current rate:

	1% Decrease 3.31%	Current Discount Rate 4.31%	1% Increase 5.31%
Net pension liability	\$ 15,465,242	\$ 13,968,483	\$ 12,602,594

### Changes in the Net Pension Liability

	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance as of December 31, 2021	\$ 21,133,997	\$ 4,510,454	\$ 16,623,543
Changes for the year:			
Service Cost	790,701	-	790,701
Interest	460,649	-	460,649
Difference between expected and actual experience	905,091	-	905,091
Changes of assumptions or other inputs	(3,235,043)	-	(3,235,043)
Contributions - employer	-	1,576,172	(1,576,172)
Net investment income	-	286	(286)
Benefits paid	(1,321,393)	(1,321,393)	-
Net changes	(2,399,995)	255,065	(2,655,060)
Balance as of December 31, 2022	<u>\$ 18,734,002</u>	<u>\$ 4,765,519</u>	<u>\$ 13,968,483</u>

*Changes of assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 2.25% at the December 31, 2021 measurement date to 4.31% at the December 31, 2022 measurement date.

### C. Supplemental Retirement Income Plan

#### Description

All regular full-time and regular part-time Union County employees participate in the Supplemental Retirement Income Plan 401(k), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The plan provides retirement benefits to law enforcement officers employed by the County, and the Union County Board of County Commissioners has agreed to extend this benefit to all non-law enforcement employees. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan is included in the ACFR for the State of North Carolina. The State's ACFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.



## **Funding Policy**

Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to 5% of each officer's salary and the Union County Board of County Commissioners has agreed to contribute an equal amount for all regular full-time and regular part-time non-law enforcement employee salaries. All amounts contributed are vested immediately. County employees may also make voluntary contributions to the plan. Contributions for the year ended June 30, 2023 totaled \$6,221,005, consisting of \$2,240,094 in employee contributions and \$3,980,911 in employer contributions.

### **D. Register of Deeds' Supplemental Pension Fund**

*Plan Description.* The County is a participating employer in the Registers of Deeds' Supplemental Pension Fund (RODSPF), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. Union County also contributes to the RODSPF, a noncontributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the ACFR for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* An individual's benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory limits. An individual's eligibility is based on at least 10 years of service as a register of deeds with the individual's share increasing with years of service. Because of the statutory limits noted above, not all contributions available for benefits are distributed.

*Contributions.* Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$27,630 for the year ended June 30, 2023.

### ***Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At June 30, 2023, the County reported an asset of \$378,453 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At the June 30, 2022 measurement date, the County's proportion was 2.858%, which was a decrease of 0.161% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the County recognized pension expense of \$42,269. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,916	\$ 6,860
Changes of assumptions	20,037	-
Net difference between projected and actual earnings on pension plan investments	157,298	-
Changes in proportion and differences between County contributions and proportionate share of contributions	21,990	14,096
County contributions subsequent to the measurement date	27,630	-
Total	<u>\$ 229,871</u>	<u>\$ 20,956</u>

\$27,630 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$ 43,520
2024	45,839
2025	52,366
2026	39,560
Total	<u>\$ 181,285</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	12/31/2021
Actuarial Cost Method	Entry Age
Amortization Method	Level Dollar Closed
Amortization Period	21 Year Closed Periods
Asset Valuation Method	Asset returns in excess of or less than the expected return on market value of assets reflected over a five year period (not greater than 120% or market value and not less than 80% of market value)
Actuarial Assumptions	
Investment Rate of Return	3.00%
Projected Salary Increases	3.25%-8.25%
Includes Inflation of	2.50%
Includes Inflation of and productivity of	3.25%
Cost of Living Adjustments	N/A

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer), and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

Assumptions are based on the experience investigation prepared as of December 31, 2019 and adopted by the Board of Trustees on January 28, 2021 for use beginning with the December 31, 2020 annual actuarial valuation.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class.

*Discount rate.* The discount rate used to measure the total pension liability was 3.00%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate.* The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.00 percent, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.00 percent) or 1-percentage-point higher (4.00 percent) than the current rate:

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
County's proportionate share of the net pension liability (asset)	\$ (267,547)	\$ (378,453)	\$ (472,009)

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued ACFR for the State of North Carolina.

**E. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The net pension liability for LGERS and ROD was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as December 31, 2021. The total pension liability for Special Separation Allowance was measured as of December 31, 2022, with an actuarial valuation date of December 31, 2021.

The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	LGERS	ROD	LEOSSA	Total
Proportionate Share of Net Pension Liability (Asset)	\$ 55,424,774	\$ (378,453)	N/A	\$ 55,046,321
Proportion of the Net Pension Liability (Asset)	0.982 %	(2.858) %	N/A	
Net Pension Liability	-	-	13,968,483	13,968,483
Pension Expense	\$ 16,248,597	\$ 42,269	\$ 2,395,416	\$ 18,686,282

At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	LGERS	ROD	LEOSSA	Total
<b>Deferred Outflows of Resources</b>				
Differences between expected and actual experience	\$ 2,388,203	\$ 2,916	\$ 1,987,179	\$ 4,378,298
Change of assumptions	5,530,149	20,037	2,005,527	7,555,713
Net difference between projected and actual earnings on pension plan investments	18,318,468	157,298	190,125	18,665,891
Changes in proportion and differences between County contributions and proportionate share of contributions	873,907	21,990	-	895,897
County contributions subsequent to the measurement date	10,002,124	27,630	353,464	10,383,218
<b>Deferred Inflows of Resources</b>				
Differences between expected and actual experience	\$ 234,150	\$ 6,860	\$ -	\$ 242,010
Changes of assumptions	-	-	2,976,390	2,976,390
Changes in proportion and differences between County contributions and proportionate share of contributions	-	14,096	-	14,096

## NOTE 8 - DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation distribution is not available to employees until termination, retirement, death, or unforeseeable emergency.

## NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS

### A. Other Postemployment Retiree Healthcare Benefits (OPEB)

*Plan Description - Eligibility.* Under the terms of a County resolution, the County administers a single-employer defined benefit Retiree Healthcare Benefits Plan (the RHCB Plan). As of July 1, 2008, this plan provides postemployment healthcare benefits to retirees of the County who (1) retire from service under the provisions of the North Carolina Local Governmental Employees' Retirement System or the North Carolina Law Enforcement Officer's Benefit and Retirement Fund (together the "Systems") and (2) immediately prior to such retirement earns ten (10) consecutive years of credible, continuous service with the County. Employees hired on or after July 1, 2008 require twenty (20) years of credible, continuous service with the County and must retire from service under the Systems to receive the postemployment healthcare benefit. Employees hired on or after July 1, 2013, are not eligible to participate in the Retiree Healthcare Benefits Plan. The plan, which has a June 30, 2023 year-end does

not issue a stand-alone report. The net position and change in net position schedules are listed below for the OPEB trust as of June 30, 2023.

	<u>Statement of Fiduciary Net Position</u>
<b>ASSETS</b>	
Investments:	
State Treasurer's Office OPEB Trust	\$ 61,698,125
Total assets	<u>61,698,125</u>
<b>NET POSITION</b>	
State Treasurer's Office OPEB Trust	61,698,125
Total net position	<u>\$ 61,698,125</u>
	<u>Changes in Net Position</u>
<b>ADDITIONS</b>	
Employer contributions	\$ 5,777,214
Net investment income	4,089,475
Total additions	<u>9,866,689</u>
<b>DEDUCTIONS</b>	
Benefits	3,782,521
Total deductions	<u>3,782,521</u>
Change in net position	<u>6,084,168</u>
<b>NET POSITION</b>	
Beginning	55,613,957
Ending	<u>\$ 61,698,125</u>

*Benefits Provided.* Eligible retirees younger than age 65 and their eligible dependents receive the same medical benefits (including prescription drug and vision benefits) as active, full-time employees through the County group health and dental plan. Retirees pay the same monthly premium(s) for coverage as active employees.

Coverage for eligible retirees and covered spouses in the County group health and dental plan ends on the day the retiree attains age 65. In addition, all coverage (except COBRA) in the group health and dental plan ends for eligible dependents upon the death of an eligible retiree who had not attained age 65.

Upon attaining age 65, eligible retirees are enrolled by the County in a Supplement to Medicare plan that is combined with a prescription Part D plan. These plans are sponsored and premium is paid by the County. Retiree participants do not contribute towards the premium cost of these plans. Spouses of post-65 retirees are not eligible for coverage in either supplemental plan. All employees hired on or after July 1, 2013, are not eligible to receive Supplement to Medicare Benefit.

*Plan membership.* At June 30, 2022 the HCB Plan membership consisted of the following:

	<u>2022</u>
Inactive plan members or beneficiaries currently receiving benefit payments	437
Active plan members	<u>345</u>
Total	<u><u>782</u></u>

*Contributions.* The County pays the full cost of coverage for the healthcare benefits paid to qualified retirees under a County resolution that can be amended, subject to certain limitations, by the County Board of County Commissioners. The County has chosen to fund the healthcare benefits on a pay as you go basis. Active employees do not contribute to the plan. The County determines the annual contribution to the trust based on the actuarial determined contribution suggested by the prior year actuarial report. Once approved by the Board of County Commissioners, the County makes cash contributions to the trust throughout the year.

*Investment Policy.* The County makes cash contributions to the Trust throughout the fiscal year. The Trustee is responsible for maintaining records and accounts for the assets of the Trust. The County invests the assets of the Trust pursuant to the North Carolina General Statute 159-30 or deposited with the State Treasurer for investment pursuant to General Statute 147-69.2.

Several factors should be considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) are developed by the investment consultant for each major asset class. These ranges should be combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant may cover a shorter investment horizon and may not be useful in setting the long-term rate of return for funding OPEB plans which are likely to cover a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

As of the most recent adoption of the current long-term rate of return by the Plan, the target asset allocation for each major asset class, as provided by the Plan, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>
Fixed Income	40.00%
Equity Funds	35.00%
Cash and Cash Equivalents	<u>25.00%</u>
Total	<u><u>100.00%</u></u>

*Rate of return.* For the year ended June 30, 2023, the annual money weighted rate of return on investments, net of investment expense, was 7.16 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Net OPEB Liability.* The Net OPEB Liability is equal to the Total OPEB Liability less the Fiduciary Net Position. The result as the June 30, 2023 measurement date is presented in the table below:

Measurement Date of June 30, 2023	
Total OPEB Liability	\$ 99,588,248
Fiduciary Net Position	61,698,125
Net OPEB Liability	<u>\$ 37,890,123</u>
Ratio of Fiduciary Net Position to Total OPEB Liability	61.95%

*Actuarial Assumptions.* The Total OPEB Liability was determined by an actuarial valuation as of June 30, 2022, using the following key actuarial assumptions and other inputs:

Inflation	2.50%
Real wage growth	0.75%
Wage inflation	3.25%
Salary increases, including wage inflation	
General Employees	3.25% - 8.41%
Fire fighters	3.25% - 8.15%
Law Enforcement Officers	3.25% - 7.90%
Long-term Investment Rate of Return, net of OPEB plan investment expense, including price inflation	5.14%
Municipal Bond Index Rate	
Prior Measurement Date	3.54%
Measurement Date	3.65%
Year Fiduciary Net Position to be depleted	
Prior Measurement Date	N/A
Measurement Date	N/A
Single Equivalent Interest Rate, net of OPEB plan investment expense, including price inflation	
Prior Measurement Date	3.37%
Measurement Date	5.14%
Health Care Cost Trends	
Pre-Medicare	7.00% for 2022 decreasing to an ultimate rate of 4.50% by 2032
Medicare	5.125% for 2022 decreasing to an ultimate rate of 4.50% by 2025
Dental	3.50%

The discount rate used to measure the TOL was based upon the long-term expected rate of return. Mortality rates were based on the PUB-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019. The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019, adopted by the LGERS Board. The remaining actuarial assumptions (e.g., health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2022 valuation were based on a review of recent plan experience performed concurrently with the June

30, 2022 valuation.

*Discount Rate.* The discount rate used to measure the TOL as of the measurement date was 5.14%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 74. The projection's basis was an actuarial valuation performed as of June 30, 2022. In addition to the actuarial methods and assumptions of the June 30, 2022 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present of the valuation date. In subsequent projection years, total payroll was assumed to increase annually using the payroll growth assumptions.
- Active employees do not explicitly contribute to the Plan.
- Projected assets include employer contributions each year of an amount equal to the average of the last five years employer contribution. The contribution consists of deposits to the trust and direct payments to plan members as benefits come due. The employer is assumed to have the ability and willingness to make benefit payments from its own resources for all periods in the projections
- Projected assets do not include employer contributions that fund the estimated service costs of future employees.
- Cash flows occur mid-year.

Based on these assumptions, the Plan's fiduciary net position was projected to not be depleted.

The FNP projections are based upon the Plan's financial status on the Valuation Date, the indicated set of methods and assumptions, and the requirements of GASB 74. As such, the FNP projections are not reflective of the cash flows and asset accumulations that would occur on an ongoing plan basis, reflecting the impact of future members. Therefore, the results of this test do not necessarily indicate whether or not the fund will actually run out of money, the financial condition of the Plan, or the Plan's ability to make benefit payments in future years.

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate.* The following exhibit presents the Net OPEB Liability (NOL) of the Plan, calculated using the discount rate of 5.14%, as well as what the Plan's NOL would be if it were calculated using a Discount Rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Changes in the Discount Rate		
	1% Decrease 4.14%	Current Discount Rate 5.14%	1% Increase 6.14%
Net OPEB Liability	\$ 51,495,509	\$ 37,890,123	\$ 26,754,967

*Sensitivity of the Net OPEB Liability to Changes in Health Care Cost Trends.* The following exhibit presents the Net OPEB Liability (NOL) of the Plan, calculated using the health care cost trend rates, as well as what the Plan's NOL would be if it were calculated using a health care cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	Health Care Cost Trend Rates		
	1% Decrease	Current	1% Increase
Net OPEB Liability	\$ 25,159,848	\$ 37,890,123	\$ 53,565,861



*Changes in Net OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows or Resources Related to OPEB.* At June 30, 2023, the County reported a net OPEB liability of \$37,890,123. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions.

At June 30, 2023, the components of the net OPEB liability of the County, measured as of June 30, 2023, were as follows:

	Total OPEB Liability	Increase/(Decrease) Plan Fiduciary Net Position	Net OPEB Liability
Balance as of June 30, 2022	\$ 121,151,045	\$ 55,613,957	\$ 65,537,088
Changes for the year:			
Services Cost at the end of the year	2,728,514	-	2,728,514
Interest on TOL and Cash Flows	4,019,583	-	4,019,583
Difference between expected and actual experience	(589,992)	-	(589,992)
Changes of assumptions or other inputs	(23,938,381)	-	(23,938,381)
Contributions - employer	-	5,777,214	(5,777,214)
Net investment income	-	4,089,475	(4,089,475)
Benefit payments	(3,782,521)	(3,782,521)	-
Net changes	(21,562,797)	6,084,168	(27,646,965)
Balance as of June 30, 2023	<u>\$ 99,588,248</u>	<u>\$ 61,698,125</u>	<u>\$ 37,890,123</u>

For the year ended June 30, 2023, the County recognized OPEB income at \$(2,975,449). At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 751,103	\$ 4,607,119
Changes of assumptions or other inputs	9,195,171	18,431,176
Net difference between projected and actual earnings on plan investments	1,664,998	-
Total	<u>\$ 11,611,272</u>	<u>\$ 23,038,295</u>

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB benefits will be recognized in OPEB Expense as follows:

Measurement Period Ended	
June 30:	
2024	\$ (6,927,856)
2025	(3,630,455)
2026	(432,323)
2027	(436,389)
Total	<u>\$ (11,427,023)</u>

## **B. Other Employment Benefits - Death Benefits**

Under the terms of the Board of Commissioner's resolution, the County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death, are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. The County's required contributions for employees not engaged in law enforcement and for law enforcement officers represented 0.05% and 0.14% of covered payroll, respectively. For the fiscal year ended June 30, 2023, the County contributed \$31,726 for employees not engaged in law enforcement and \$22,880 for employees for law enforcement officers for a total of \$54,606.

### **NOTE 10 - CLOSURE AND POST CLOSURE CARE COSTS - LANDFILL FACILITY**

State and federal laws and regulations required the County to place a final cover on its landfill facility when it stopped accepting municipal solid waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure of the municipal solid waste collection cell. The County has continued to collect construction and demolition waste in different cells which are opened based on demand and closed when each cell reaches its capacity. Closure and post closure care costs have been accumulated up to the dates of closure for each of the cells; therefore, the County has reported these closure and post closure care costs as an operating expense in each prior period based on landfill capacity used as of each balance sheet date. The County stopped accepting municipal solid waste into its Austin-Chaney Road facility, permit number 90-01, on December 31, 1997. The site still serves as a transfer station for the collection of local municipal solid waste, which is transported to other sites outside of the County. The \$6,393,380 reported as landfill closure and post closure care liability at June 30, 2023 represents a cumulative liability amount reported to date, based on the use of 100% of the total estimated post closure maintenance and monitoring costs associated with the closed municipal solid waste collection and construction and demolition cells and closure costs associated with 38% of the construction and demolition capacity. At June 30, 2023, there was an increase of \$591,060 from the prior year. The liability represents the estimated present value of the amount needed to fund the post closure care costs that will be incurred during the 30-year period after closure. Actual post closure costs may be higher due to inflation, changes in technology, or changes in regulations.

The County has met and continues to meet the requirements of a local government financial test that is one option under state and federal laws and regulations that helps determine if a unit is financially able to meet closure and post closure care requirements. The County elected to establish a reserve fund several years ago to accumulate resources for the payment of closure and post closure care costs. The actual landfill closure and post closure costs have been less than engineering estimates due to use of County personnel for closure activities and proper planning for closure. The Solid Waste Capital Reserve Fund has remaining funds being held in investments with a fair value of \$6,537,047. The County expects that future inflation costs will be paid from the interest earnings on these remaining funds. However, if interest earnings are inadequate or additional post closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future transfer station users or by future tax revenues.

**NOTE 11 - COMMITMENTS**

**A. Contractual Commitments**

The County had several outstanding projects as of June 30, 2023. At year-end, the significant contractual commitments include the following:

Project	Spent to Date	Remaining Commitment
<b>General Capital Projects Fund:</b>		
Board of Elections Addition/Renovations	\$ 4,012,821	\$ 83,457
Historic Courthouse Renovations	1,755,429	52,491
Progress Building Renovations	1,127,176	119,357
Sheriff's Office Expansion & Renovation	22,627,352	-
Emergency Services Complex	13,056,827	339,200
Radio Tower & Microwave Replacement	925,928	881,133
Southwest Regional Library	7,081,012	7,147,552
<b>Water Capital Projects:</b>		
Automated Meter Infrastructure	4,200,456	9,556,562
Yadkin River Supply	279,004,935	14,135,837
Water Meters	3,645,179	105,657
762 Pressure Zone Water Main Extension	1,920,633	251,867
853 West Pressure Zone Improvements	21,779,918	2,737,109
<b>Sewer Capital Projects:</b>		
Water and Sewer Master Plan	1,205,828	155,006
Crooked Creek WRF Electrical Systems Improvements	3,866,598	24,710
West Fork Twelve Mile Creek Interceptor	12,274,441	1,434,859
Poplin Road Pump Station Improvements	15,408,889	1,552,600
Waxhaw Gravity Intcpt, Pump Station & Force Main	4,840,269	1,369,089
12 Mile Creek Building Additions	1,474,775	127,266
12 Mile Creek 9.0 MGD Expansion	2,047,014	269,348
Total	<u>\$ 402,255,480</u>	<u>\$ 40,343,100</u>

The General capital projects are commitments of the General Capital Projects Fund and are funded by a combination of certificates of participation, installment financing, general obligation bonds, grants, and General Fund monies. The Water and Sewer Capital Projects are commitments of the County's Water and Sewer Capital Projects Fund and are funded by a combination of revenue bonds and other enterprise fund monies.

**B. Other Commitments**

The County has an economic development and incentive grants program that is offered to companies meeting certain agreed upon criteria. Amounts to be paid in the future under these agreements are not readily determinable; however, management estimates an amount of up to \$7,515,751 and expects the payments to be made over the next five years.

**NOTE 12 - RISK MANAGEMENT - PROPERTY, LIABILITY, WORKERS' COMPENSATION AND SELF INSURED EMPLOYEE MEDICAL COVERAGE**

The County is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County carries commercial insurance for these risks of loss, with the exception of injuries to employees. The County self-insures workers' compensation, medical, and dental claims and purchases stop-loss insurance for workers' compensation and medical claims that exceed certain amounts.

There has been no significant reduction in insurance coverage from the previous year and settled claims subject to insurance coverage have not exceeded insurance policy limits in the last three years.

The County has established three Internal Service Funds to account for self-insured risk financing. Funding of the Health Benefit Fund is based upon an analysis of historical and projected medical and dental claims paid by the third party administrator and the availability of contributions from the County, the County's employees, and unrestricted net position to fund projected claims. Funding of the Workers' Compensation Fund is based upon payroll rates established by the State of North Carolina and the availability of unrestricted net position to fund projected claims. Funding of the Property and Casualty Fund is allocated based on a percentage of the department's budget.

The County's medical and Rx benefits are partially self-insured. Individual member claims are self-insured up to \$250,000 annually. Specific Stop-Loss Insurance is purchased to cover individual member claims in excess of the self-insured retention. In addition, Aggregate Stop-Loss Insurance is purchased to cover the combined eligible claims expense of all members in excess of 125% of expected eligible claims incurred and paid during the coverage period. Claims paid through an individual member HRA (Health Reimbursement Account) are excluded from specific and aggregate stop-loss coverage. Claims are administered under contract with a third-party administrator. Claim reserves are established at the end of the plan year (currently June 30) based on a combination of insurance industry standards, the County and third-party administrator's analysis of claims submission, processing, and payment.

The County's workers' compensation is self-insured; stop-loss insurance provides statutory worker compensation benefits above the County's self-insurance limit of \$575,000 per occurrence for police/fire employees and \$400,000 per occurrence for all other employees. A "buffer" layer of insurance provides coverage of \$175,000 over the \$575,000 limit for police/fire employees and \$200,000 over the \$400,000 for all other employees. An excess workers' compensation carrier provides coverage in excess over \$750,000 for police/fire employees and \$600,000 for all other employees. Claims are administered under contract with a third party administrator. Claim reserves are established when an injury occurs and the ultimate expected exposure of each claim can be reasonably estimated by the third-party claims administrator.

Unpaid liabilities at year end are as follows:

	Health Benefit Fund		Worker's Compensation Fund		Property and Casualty Fund	
	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2023	Year Ended June 30, 2022
Unpaid Claims beginning of fiscal year	\$ 1,791,521	\$ 2,811,156	\$ 191,487	\$ 199,698	\$ 348,690	\$ 41,171
Incurring claims and premiums	20,196,841	18,346,447	885,719	178,444	1,476,872	1,773,404
Claims and premiums paid	(20,281,283)	(19,366,082)	(592,489)	(186,655)	(1,463,302)	(1,465,885)
Unpaid Claims end of fiscal year	\$ 1,707,079	\$ 1,791,521	\$ 484,717	\$ 191,487	\$ 362,260	\$ 348,690

The County carries commercial insurance for its exposure to various risks related to torts, theft, damage to, and destruction of assets and errors and omissions. The finance officer is bonded at \$1,000,000, the tax administrator is bonded at \$60,000, the sheriff is bonded at \$5,000, and the register of deeds is bonded at \$25,000. The remaining employees are covered by a crime insurance policy with limits of \$1,000,000 per loss. The County has \$12,500,000 in flood coverage with a \$100,000 deductible for all structures.

The County also has a Network Security & Privacy Liability insurance (Cyber) policy with limits of \$3,000,000.

**NOTE 13 - CLAIMS AND JUDGEMENTS**

At June 30, 2023, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

## NOTE 14 - LONG-TERM OBLIGATIONS

### **A. General Obligation Bonds, Notes from Direct Borrowings and Direct Placements, Installment Financings, Revenue Bonds' Indebtedness, and Derivatives**

*General Obligation Bonds:* The general obligation bonds are issued for school facilities and various general government capital projects and items are serviced by the General Fund. The general obligation bonds are collateralized by the full faith, credit, and taxing power of the County. Principal and interest requirements are appropriated when due for all debt.

*General Obligation Bonds from direct placements:* The County's outstanding notes from direct borrowings and direct placements were issued for school facilities capital projects and are serviced by the General Fund. The outstanding notes were entered into to mitigate interest rate risk associated with variable rate debt by converting the variable interest rates on the 2004A, 2007A, and 2007C general obligation bonds to fixed rate bonds. The County's outstanding notes are secured by a general obligation pledge of the full faith and credit of the County. The outstanding notes contain a provision that in the event of default the outstanding amounts of the obligation become immediately due and payable. The outstanding notes have no subjective acceleration clauses.

*Installment Financing:* Installment financing, certificates of participation ("COPs") and limited obligation bonds (LOBs) are issued for school facilities and various general government capital projects and items are serviced by the General Fund. The COPs and Installment Financing are collateralized by the assets financed and are not secured by the taxing power of the County. The 2012 and 2023 Limited Obligation Bonds were issued pursuant to a deed of trust that requires that legal title to the tract of land that Marvin Ridge Schools (the property) resides on remain with the County as long as the debt is outstanding because the property is pledged as collateral for debt. The 2020 Installment Financing were issued pursuant to a deed of trust that requires that legal title to the tract of land that the Union County Progress Building resides on remain with the County as long as the debt is outstanding because the property is pledged as collateral for debt. The COPs and Installment Financings require the County to follow customary covenants including providing insurance certificates, budget data, and financial information on an annual basis.

*Revenue Bonds:* The revenue bonds are secured by the pledge of net revenues derived from the acquired or constructed assets of the water and sewer system. The derivative is an interest swap agreement with the objective of protecting Union County against the risk of interest rate changes in connection with revenue bond variable rate debt and to effect lower debt service costs on the County's fixed rate debt. Any derivative that the County enters into must first have the approval of the Local Government Commission (LGC) and the County Commissioners. Revenue Bonds are described further in Note 14. D.

The other long-term obligations, were issued for acquired or constructed assets of the water and sewer system are described further in Note 14 D.

1. Long-term obligations at June 30, 2023 are reflected in the following table. Bonds and installment financings appearing in the table that have associated derivative products are denoted with a lower case letter of the alphabet in parenthesis.

	Issue Date	Due Serially To	Interest Rate	Original Issue	Principal Balance June 30, 2023
<b>1. General Obligation Bonds (GO Bonds)</b>					
2012 Refunding Bonds (School Facility)	May 01, 2012	March 01, 2024	2.00% - 5.00%	28,845,000	\$ 2,905,000
2013A Refunding Bonds (School Facility)	March 19, 2013	March 01, 2029	1.50% - 5.00%	42,890,000	26,680,000
2015 Refunding Bonds (School Facility)	Dec. 08, 2015	Sept. 01, 2029	2.00% - 5.00%	41,020,000	25,315,000
2017 Schools Facility	Nov. 21, 2017	Sept. 01, 2037	2.00% - 5.00%	50,000,000	37,500,000
2019 Multipurpose Bonds - Series C	Aug 22, 2019	Sept. 01, 2039	2.00% - 5.00%	91,910,000	78,095,000
2019 Refunding Bonds (School Facility) - Series D	Aug 22, 2019	Sept. 01, 2032	2.00% - 5.00%	15,260,000	14,185,000
2022 Multipurpose Bonds	April 22, 2022	March 01, 2042	3.00% - 5.00%	20,590,000	19,560,000
2023 School Bonds	May 16, 2023	Sept. 01, 2043	5.00%	134,405,000	134,405,000
					<u>338,645,000</u>
<b>2. GO Bonds from direct placements</b>					
2004 School Facility - Series A	Dec. 14, 2004	March 01, 2029	2.28%	\$ 48,265,000	18,596,505
2004 Law Enf. Facility - Series A	Dec. 14, 2004	March 01, 2029	2.28%	1,735,000	668,495
2007 School Facility - Series A and C	Sept. 06, 2007	March 01, 2033	2.19%	93,510,000	35,470,000
2019 Economic Development Series A	July 23, 2019	March 01, 2039	2.63% - 2.95%	17,555,000	14,232,000
2019 Multipurpose Series B	July 23, 2019	March 01, 2039	2.07% - 2.33%	8,045,000	6,560,000
					<u>75,527,000</u>
<b>3. Installment Financing</b>					
2012 Limited Obligation Bonds	May 01, 2012	December 01, 2024	1.00% - 5.00%	27,850,000	6,585,000
2020 Installment Financing Contract	October 15, 2020	October 15, 2035	1.86%	5,600,000	4,852,000
2023 Limited Obligation Bonds	April 27, 2023	December 01, 2031	5.00%	23,210,000	23,210,000
					<u>34,647,000</u>
<b>4. Revenue Bonds</b>					
2015 Enterprise System	December 9, 2015	June 01, 2040	2.00% - 5.00%	22,955,000	18,480,000
2017 Enterprise System	August 30, 2017	June 01, 2040	3.00% - 5.00%	58,990,000	49,885,000
2019 Enterprise System - Series A	May 30, 2019	June 01, 2044	3.00% - 5.00%	68,430,000	62,360,000
2021 Enterprise System	March 10, 2021	June 01, 2051	3.00% - 5.00%	298,775,000	292,705,000
					<u>423,430,000</u>
Total General Obligation Bonds, GO Bond Notes from direct placement, Installment Financings, Revenue Bonds and Other Long-term Obligation					<u>\$ 872,249,000</u>

2. The preceding long-term obligations are included in Exhibit A as follows:

	Governmental Activities	Business-type Activities	Total
General Obligation Bonds	\$ 382,900,030	\$ -	\$ 382,900,030
GO Bonds from direct placements	75,527,000	-	75,527,000
Certificates of Participation	33,066,794	-	33,066,794
Installment Financing	4,852,000	-	4,852,000
Revenue Bonds	-	464,156,181	464,156,181
Total	<u>\$ 496,345,824</u>	<u>\$ 464,156,181</u>	<u>\$ 960,502,005</u>

3. The table in Note 14 part A differs from the long-term obligations in Note 14 part B due to the following:

	Unamortized Premium
<u>General Obligation Bonds</u>	
2012 School Refunding	(197,246)
2013A School Refunding	(1,392,476)
2015 School Refunding	(3,395,126)
2017 School Facility	(2,951,845)
2019C Multipurpose Bonds	(10,289,512)
2019D School Refunding	(2,377,970)
2022 Multipurpose Bonds	(2,037,389)
2023 GO Bonds	(21,613,466)
<u>Installment Financing</u>	
2012 Limited Obligation Bonds (Schools)	(340,710)
2012 Limited Obligation Bonds (Other)	(95,708)
2023 Limited Obligation Bonds (Schools)	(2,835,376)
<u>Revenue Bonds</u>	
2015 Enterprise System Revenue Bonds	(1,535,832)
2017 Enterprise System Revenue Bonds	(3,682,170)
2019 Enterprise System Revenue Bonds	(8,402,099)
2021 Enterprise System Revenue Bonds	(27,106,080)
Total	<u>(88,253,005)</u>
Long-term Obligations (per Note 14, A,2)	<u>960,502,005</u>
Future Maturities of Long-term Obligations (per Note 14, B)	<u>\$ 872,249,000</u>

## B. Future Maturities of Long-Term Obligations

Annual debt service requirements to maturity, including interest, are as follows (excluding compensated absences, net OPEB liability and net pension liability (LGERS)):

	General Obligation Bonds		General Obligation Bonds from Direct Placement		Total General Obligation Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
Governmental Activities						
2024	\$ 20,120,000	\$ 12,812,173	\$ 8,125,000	\$ 1,770,392	\$ 28,245,000	\$ 14,582,565
2025	26,680,000	13,134,200	7,890,000	1,582,630	34,570,000	14,716,830
2026	25,430,000	11,938,700	9,665,000	1,400,216	35,095,000	13,338,916
2027	23,765,000	10,819,125	9,385,000	1,177,328	33,150,000	11,996,453
2028	23,415,000	9,662,300	9,105,000	960,805	32,520,000	10,623,105
2029-2033	91,425,000	35,014,363	23,910,000	2,124,112	115,335,000	37,138,474
2034-2038	74,200,000	19,008,988	6,666,000	586,806	80,866,000	19,595,793
2039-2043	46,890,000	6,451,875	781,000	18,250	47,671,000	6,470,125
2044-2048	6,720,000	168,000	-	-	6,720,000	168,000
	<u>\$ 338,645,000</u>	<u>\$ 119,009,723</u>	<u>\$ 75,527,000</u>	<u>\$ 9,620,537</u>	<u>\$ 414,172,000</u>	<u>\$ 128,630,260</u>
	Certificates of Participation and Installment Financing		Total Governmental Activities			
Governmental Activities	Principal	Interest	Principal	Interest		
2024	\$ 5,034,000	\$ 1,460,019	\$ 33,279,000	\$ 16,042,584		
2025	5,229,000	1,215,188	39,799,000	15,932,017		
2026	3,304,000	1,013,606	38,399,000	14,352,522		
2027	3,293,000	860,409	36,443,000	12,856,862		
2028	3,283,000	707,721	35,803,000	11,330,827		
2029-2033	13,385,000	1,268,790	128,720,000	38,407,264		
2034-2038	1,119,000	31,220	81,985,000	19,627,013		
2039-2043	-	-	47,671,000	6,470,125		
2044-2048	-	-	6,720,000	168,000		
	<u>\$ 34,647,000</u>	<u>\$ 6,556,953</u>	<u>\$ 448,819,000</u>	<u>\$ 135,187,213</u>		

	Revenue		Total Long-term Obligations	
	Bonds		for Governmental and Business-type Activities	
	Principal	Interest	Principal	Interest
Business Type Activities				
2024	\$ 11,405,000	\$ 14,332,421	\$ 44,684,000	\$ 30,375,006
2025	11,970,000	13,769,471	51,769,000	29,701,488
2026	12,575,000	13,170,971	50,974,000	27,523,493
2027	13,195,000	12,542,221	49,638,000	25,399,083
2028	13,835,000	11,906,621	49,638,000	23,237,448
2029-2033	78,315,000	50,393,306	207,035,000	88,800,570
2034-2038	87,260,000	37,295,589	169,245,000	56,922,602
2039-2043	82,920,000	24,185,838	130,591,000	30,655,962
2044-2048	68,315,000	12,626,050	75,035,000	12,794,050
2049-2053	43,640,000	2,644,200	43,640,000	2,644,200
	<u>\$ 423,430,000</u>	<u>\$ 192,866,689</u>	<u>\$ 872,249,000</u>	<u>\$ 328,053,902</u>

As of June 30, 2023, Union County had \$32,725,000 of general obligation bonds authorized and unissued and had a legal debt margin of \$2,592,812,160.

### C. Changes in Long-Term Obligations

The following is a summary of changes in long-term obligations for the year ended June 30, 2023 (and agrees to table in Note 14 part A):

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
<b>Governmental Activities:</b>					
Bonds Payable					
General obligation bonds	\$ 227,285,000	\$ 134,405,000	\$ 23,045,000	\$ 338,645,000	\$ 20,120,000
GO Bonds from direct placements	83,902,000	-	8,375,000	75,527,000	8,125,000
Certificates of participation	36,980,000	23,210,000	30,395,000	29,795,000	4,660,000
Installment financing	5,226,000	-	374,000	4,852,000	374,000
Premium	27,307,113	24,646,854	4,427,143	47,526,824	3,843,737
Total Bonds Payable	<u>380,700,113</u>	<u>182,261,854</u>	<u>66,616,143</u>	<u>496,345,824</u>	<u>37,122,737</u>
Compensated absences	6,921,487	6,502,068	6,369,832	7,053,723	6,385,894
Lease liability	440,498	1,435,505	336,046	1,539,957	422,175
Subscription liability	-	2,792,312	921,459	1,870,854	355,238
Net OPEB liability	54,583,203	-	22,244,049	32,339,154	-
Net pension liability (LGRS)	12,762,380	35,291,262	-	48,053,642	-
Net pension liability, separation allowance	15,436,148	-	2,355,492	13,080,656	-
Government activities long term liabilities	<u>\$ 470,843,829</u>	<u>\$ 228,283,001</u>	<u>\$ 98,843,021</u>	<u>\$ 600,283,810</u>	<u>\$ 44,286,044</u>
<b>Business-type Activities:</b>					
Bonds Payable					
Revenue bonds	\$ 434,305,000	\$ -	\$ 10,875,000	\$ 423,430,000	\$ 11,405,000
Premium	42,406,975	-	1,680,794	40,726,181	1,680,794
Total Bonds Payable	<u>476,711,975</u>	<u>-</u>	<u>12,555,794</u>	<u>464,156,181</u>	<u>13,085,794</u>
Compensated absences	952,219	1,073,766	973,661	1,052,324	1,040,533
Accrued landfill postclosure care costs	5,802,320	591,060	-	6,393,380	-
Lease liability	-	82,353	7,001	75,352	17,620
Subscription liability	-	139,369	69,536	69,833	69,833
Net OPEB liability	10,953,885	-	5,402,916	5,550,969	-
Net pension liability (LGRS)	1,882,542	5,488,590	-	7,371,132	-
Net pension liability, separation allowance	1,187,395	-	299,568	887,827	-
Business-type activities long term liabilities	<u>\$ 497,490,336</u>	<u>\$ 7,375,138</u>	<u>\$ 19,308,476</u>	<u>\$ 485,556,998</u>	<u>\$ 14,213,780</u>

Compensated absences, LGRS, Separation Allowance, and OPEB for governmental activities typically have been liquidated in the General Fund or one of the Enterprise Funds depending on the location status of the employee at the time of liquidation.



#### **D. Revenue Bonds**

The County issued combined system enterprise revenue bonds for water and sewer system improvements pursuant to a General Trust Indenture dated as of May 1, 1996; Series Indenture Number 2, dated as of May 15, 2003; Series Indenture Number 3, dated as of August 1, 2009; Series Indenture Number 4, dated as August 4, 2011; Series Indenture Number 5, dated as of December 1, 2011; Series Indenture Number 6, dated as of December 1, 2015; and Series Indenture Number 7, dated as of August 1, 2017; and Series Indenture Number 8, (together the "Indentures") between the County and First Union National Bank of North Carolina (now succeeded by U.S. Bank National Association), as trustee. The Indentures authorize and secure all outstanding revenue bonds of the County's water and sewer system and contain several financial and operating covenants governing such matters as rates, additional bonds, reserve funds, annual budgets, maintenance of the system, and insurance. The General Trust Indenture contains a provision that in the event of default the trustee may, or if required by the owners of not less than a majority of the principal amount of the bonds, must declare the bonds to be immediately due and payable. The net revenues of the combined water and sewer system are the assets pledged as collateral for the outstanding revenue bonds.

The rate covenant of the County is as follows: Before the commencement of each fiscal year, the County will fix, establish or maintain or cause to be fixed, established and maintained such rates and charges for the provision of services of the Enterprise Systems and revise or cause to be revised the same, as necessary, as will produce revenues at least equal in such Fiscal Year to the total of the current expenses budgeted for such Fiscal Year, as may be amended from time to time, plus 120% of (1.20 times) the Principal and Interest Requirements on the Bonds to become due during that Fiscal Year plus 100% of (1.00 times) the Principal and Interest Requirement on General Obligation Indebtedness and Subordinate Indebtedness to become due in such Fiscal Year plus 100% of (1.00 times) the Principal and Interest Requirements on Other Indebtedness to become due in such Fiscal Year plus 100% (1.00 times) the amount required to reimburse the provider of a qualified reserve fund substitute for any amounts owing hereunder.

Revenues mean all rates, fees (including any tap, system development fees (formerly named capacity impact fees), rental, assessments or other charges or other money received by the County in connection with the ownership, management and operation of the water and sewer system, and all parts thereof, including amounts received from the investments of moneys (with the exception of investment earnings on revenue bonds construction funds), all as calculated in accordance with generally accepted accounting principles. Current expenses means the current expenses of operation, maintenance and current repair of the water and sewer system, as calculated in accordance with generally accepted accounting principles. Current expenses do not include depreciation expense or moneys payable as interest on bonds.

The County believes it is in compliance with all such covenants during the fiscal year ended June 30, 2023. The calculation for the various debt service coverage ratios for the year ended June 30, 2023 is as follows:

Revenues	\$ 91,239,890
Current Expenses	35,537,209
Net revenues available for debt service	<u>\$ 55,702,681</u>
Senior debt service coverage:	
Debt service, principal and interest paid	\$ 21,062,986
Subordinate debt service:	
Debt service, principal and interest paid	-
Total debt service:	
Total debt service, principal and interest paid	21,062,986
Add: 20% of senior debt service	4,212,597
Adjusted debt service requirements	<u>\$ 25,275,583</u>
Coverage Test 1	
Net revenues / adjusted debt service	2.20
Coverage Test 2	
Net revenues / total debt service	2.64

### E. Conduit Debt Obligations

Union County Industrial Facility and Pollution Control Financing Authority (the "Authority") has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State, or any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2023, there was one series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$10,000,000.

### F. Debt Related to Capital Activities

As of June 30, 2023, of the total Governmental Activities debt listed, \$89,219,667 relates to assets the County holds title to. As of June 30, 2023, there is \$28,108,466 in unspent restricted cash related to this debt amount. The remaining \$407,126,157 in outstanding debt is for Union County Public Schools Facilities and South Piedmont Community College.

### G. Leases

The County has entered into agreements to lease certain buildings and equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The future lease obligations and the net present value of these lease payments as of June 30, 2023, were as follows:

Year Ending June 30	Principal Payments	Interest Payments	Total
2024	\$ 439,796	\$ 6,070	\$ 445,866
2025	444,344	4,032	448,376
2026	407,213	2,024	409,237
2027	259,043	775	259,818
2028	64,913	41	64,954
	<u>\$ 1,615,309</u>	<u>\$ 12,942</u>	<u>\$ 1,628,251</u>

**H. Subscriptions**

The County has entered into agreements to subscribe to certain softwares. The agreements qualify as other than short-term leases under GASB 96 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

Year Ending June 30	Principal Payments	Interest Payments	Total
2024	\$ 425,071	\$ 57,684	\$ 482,755
2025	320,198	46,894	367,092
2026	251,449	37,542	288,991
2027	186,397	29,534	215,931
2028	192,772	23,159	215,931
2029-2031	564,800	29,010	593,810
	<u>\$ 1,940,687</u>	<u>\$ 223,823</u>	<u>\$ 2,164,510</u>

**NOTE 15 - INTERFUND BALANCES AND ACTIVITY**

**A. INTERFUND BALANCES**

The composition of inter-fund balances as of June 30, 2023 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Water & Sewer Fund	\$ (58,005) *
General Fund	Solid Waste Fund	(477) *
		<u>\$ (58,482)</u>

\*Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds (as shown on Exhibit A).

**B. INTERFUND ACTIVITY**

Transfers to/from other funds at June 30, 2023, consist of the following:

Transfers From:	Transfers To:			Total
	General Fund	General Capital Project Fund	Non-Major Special Revenue Funds	
General Fund	\$ -	\$ 31,110,532	\$ 6,507,735	\$ 37,618,267
General Special Revenue Fund	17,786,479	-	-	17,786,479
Total	<u>\$ 17,786,479</u>	<u>\$ 31,110,532</u>	<u>\$ 6,507,735</u>	<u>\$ 55,404,746</u>

Transfers from General Fund to Non-Major Special Revenue Funds include budget appropriation to Fire Districts, and adjustment to Emergency Telephone Fund for the expenditures over the amount that was approved by the PSAP Board. Transfer of \$31,110,532 to the General Capital Project Fund is to fund ongoing capital projects. Lastly, the transfer of \$17,786,479 from General Special Revenue Fund to General Fund was for the purposes of revenue replacement and to rehire public sector staff using ARPA funding.

**NOTE 16 - BLENDED COMPONENT UNIT**

Union County's Water and Sewer District's sole purpose is to operate the County's Water and Sewer system, continues operations under the name Union County Public Works, sets certain rate and fee schedules, and performs other functions as set forth in an interlocal agreement between the District and the County. The Water and Sewer District also collects system development fees in the Water and Sewer District System Development Fees Capital Reserve Fund. The Water and Sewer District is a blended component unit of the County and includes both the Water and Sewer District operations and the Water and Sewer District Capital Reserve Fund.

Summary business-type activities financial information for the County's Water and Sewer Fund and Water and Sewer District blended component unit are presented as follows.

Combining Statement of Net Position

	<u>Water and Sewer Operating Fund</u>	<u>Water and Sewer District</u>	<u>Total Water and Sewer Fund</u>
<b>Assets</b>			
Current assets	\$ 146,671,688	\$ 24,108,813	\$ 170,780,501
Restricted assets	22,854,045	-	22,854,045
Non-current assets	62,036,023	-	62,036,023
Capital Assets	<u>662,884,716</u>	<u>-</u>	<u>662,884,716</u>
Total assets	<u>894,446,472</u>	<u>24,108,813</u>	<u>918,555,285</u>
Deferred Outflows of Resources	<u>6,094,388</u>	<u>-</u>	<u>6,094,388</u>
Total assets and deferred outflows of resources	<u>900,540,860</u>	<u>24,108,813</u>	<u>924,649,673</u>
<b>Liabilities</b>			
Current liabilities	38,865,574	-	38,865,574
Current liabilities payable from restricted assets	1,463,535	-	1,463,535
Non-current liabilities	<u>463,311,949</u>	<u>-</u>	<u>463,311,949</u>
Total liabilities	<u>503,641,058</u>	<u>-</u>	<u>503,641,058</u>
Deferred Inflows of Resources	<u>3,273,242</u>	<u>-</u>	<u>3,273,242</u>
Total liabilities and deferred inflows of resources	<u>506,914,300</u>	<u>-</u>	<u>506,914,300</u>
<b>Net position</b>			
Net invested in capital assets	250,223,040	-	250,223,040
Restricted for debt service	251,004	-	251,004
Unrestricted	<u>143,152,516</u>	<u>24,108,813</u>	<u>167,261,329</u>
Total net position	<u>\$ 393,626,560</u>	<u>\$ 24,108,813</u>	<u>\$ 417,735,373</u>

Combining Statement of Revenues, Expenses, and Changes in Net Position

	<b>Water and Sewer Operating Fund</b>	<b>Water and Sewer District</b>	<b>Total Water and Sewer Fund</b>
Operating Revenues			
Charges for services	\$ (1,497,644)	\$ 75,729,569	\$ 74,231,925
Intergovernmental	4,689,006	-	4,689,006
Miscellaneous revenue	42,068	-	42,068
Other operating revenue	3,860	1,975,979	1,979,839
Total operating revenue	<u>3,237,290</u>	<u>77,705,548</u>	<u>80,942,838</u>
Operating expenses			
Personnel	14,259,169	-	14,259,169
Other operating expenses	(15,526,131)	36,206,050	20,679,919
Amortization	91,244	-	91,244
Depreciation	20,069,358	-	20,069,358
Operating leases	506,877	-	506,877
Total operating expenses	<u>19,400,517</u>	<u>36,206,050</u>	<u>55,606,567</u>
Operating income (loss)	<u>(16,163,227)</u>	<u>41,499,498</u>	<u>25,336,271</u>
Non-operating revenues (expenses)			
Investment earnings	6,968,813	-	6,968,813
Sale of capital assets	66,607	-	66,607
Interest and fees on long term debt	(13,456,075)	-	(13,456,075)
Gain (loss) on investment in joint venture	(1,626,791)	-	(1,626,791)
Total non-operating revenues (expenses)	<u>(8,047,446)</u>	<u>-</u>	<u>(8,047,446)</u>
Income (loss) before contributions and transfers	<u>(24,210,673)</u>	<u>41,499,498</u>	<u>17,288,825</u>
Transfers	41,409,846	(41,409,846)	-
Capital contributions-system development fees	-	5,413,985	5,413,985
Capital contributions-other	479,881	-	479,881
Capital contributions-non-cash	6,501,850	-	6,501,850
Total transfers and contributions	<u>48,391,577</u>	<u>(35,995,861)</u>	<u>12,395,716</u>
Change in net position	<u>24,180,904</u>	<u>5,503,637</u>	<u>29,684,541</u>
Beginning net position	369,445,656	18,605,176	388,050,832
Ending net position	<u>\$ 393,626,560</u>	<u>\$ 24,108,813</u>	<u>\$ 417,735,373</u>

Combining Statement of Cash Flows

	<b>Water and Sewer Operating Fund</b>	<b>Water and Sewer District</b>	<b>Total Water and Sewer Fund</b>
Net cash provided (used) by:			
Operating activities	\$ (15,441,325)	\$ 41,499,498	\$ 26,058,173
Noncapital financing activities	41,409,846	(41,409,846)	-
Capital and related financing activities	(159,432,805)	-	(159,432,805)
Investing activities	6,968,813	-	6,968,813
Net increase (decrease)	<u>(126,495,471)</u>	<u>89,652</u>	<u>(126,405,819)</u>
Beginning cash and cash equivalents	297,235,358	18,605,176	315,840,534
Ending cash and cash equivalents	<u>\$ 170,739,887</u>	<u>\$ 18,694,828</u>	<u>\$ 189,434,715</u>

**NOTE 17 - DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**

<u>Governmental Activities:</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Pensions - difference between expected and actual experience		
LGERS	\$ 2,070,588	\$ 203,010
Register of Deeds	2,916	6,860
Separation Allowance	1,860,875	-
OPEB	641,065	3,932,168
Pensions - Changes of assumptions and other inputs		
LGERS	4,794,675	-
Register of Deeds	20,037	-
Separation Allowance	1,878,057	2,787,213
OPEB	7,848,062	15,730,977
Pensions - difference between projected and actual investment earnings		
LGERS	15,882,232	-
Register of Deeds	157,298	-
Separation Allowance	178,041	-
OPEB	1,421,073	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	757,683	-
Register of Deeds	21,990	14,096
Contributions to pension plans subsequent to measurement date		
LGERS	8,671,907	-
Register of Deeds	27,630	-
Separation Allowance	330,998	-
Prepaid taxes not yet earned (General)	-	68,443
Prepaid taxes not yet earned (Special Revenue)	-	3,454
Taxes receivable, net, less penalties (General)	-	658,167
Taxes receivable, net, less penalties (Special Revenue)	-	55,930
Deferred Loss on Debt Refundings	5,379,518	-
Deferred Gain of Debt Refundings	-	5,425,650
Deferred Swap termination	9,798,257	-
Leases (General)	-	156,502,259
Medicaid Expansion	-	826,810
Total governmental activities	61,742,902	186,215,037
<u>Business-Type Activities:</u>		
Pensions - difference between expected and actual experience		
LGERS	317,615	31,140
Separation Allowance	126,304	-
OPEB	110,038	674,951
Pensions - changes of assumptions		
LGERS	735,474	-
Separation Allowance	127,470	189,177
OPEB	1,347,109	2,700,199
Pensions - difference between projected and actual investment earnings		
LGERS	2,436,236	-
Separation Allowance	12,084	-
OPEB	243,925	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions - LGERS	116,224	-
Contributions to pension plans subsequent to measurement date		
LGERS	1,330,217	-
Separation Allowance	22,466	-
Developer contributions for future Water and Sewer line extensions, not yet earned	-	185,112
Deferred Swap termination	2,430,273	-
Total business type activities	9,355,435	3,780,579
Total	\$ 71,098,337	\$ 189,995,616

**NOTE 18 - JOINT VENTURES**

**A. Catawba River Treatment Plant**

Union County and Lancaster County Water and Sewer District ("district") constructed a water impoundment and treatment facility on the Catawba River in Lancaster County. The joint venture is known as the Catawba River Water Treatment Plant (the "CRWTP"). The agreement between the two parties called for the payment of one-half the audited and agreed upon costs of acquiring, constructing, and equipping the project. The County has a 50% undivided interest in the facility. Management of the facility is the responsibility of a joint board. The joint board is composed of an equal number of members from the district and County. A minimum of three (3) members from the district and County each serve on the joint board. The district has responsibility for operating the facility under the joint board's direction.

The agreement further calls for an annual audit each June 30 to determine actual expenses and gallons used. A final settlement will be made each year based on audited amounts. Operating costs of the facility will be split between the parties based on metered gallons drawn by each. The joint venture serves only the County and district as customers. All purchases of water are considered to be related party transactions. During the year, the County purchased \$3,596,953 of water.

The County's net investment is recorded in the Water and Sewer Enterprise Fund and is accounted for on the equity method. The County's equity interest as of June 30, 2023 was \$47,010,827. This included the County's recognized loss of \$1,626,791 for the year. Complete separate financial statements for the joint venture may be obtained from Catawba River Water Treatment Plant, 5107 Riverside Road, P.O. Box 214, Van Wyck, SC 29744. Summary financial information as of, and for the fiscal year ended June 30, 2023, is as follows:

Cash and investments	\$ 2,544,480
Other assets	98,037,161
Total assets and deferred outflows	<u>\$ 100,581,641</u>
Total liabilities and deferred inflows	\$ 6,559,986
Total net position	94,021,655
Total liabilities, deferred inflows and net position	<u>\$ 100,581,641</u>
Total revenues	\$ 6,421,924
Total expenses	(9,764,571)
Capital contributions	89,065
Net increase in net position	<u>\$ (3,253,582)</u>

**B. South Piedmont Community College**

The County, in conjunction with the State of North Carolina and Anson County Community College, participates in a joint venture to operate the Union Campus of South Piedmont Community College. The County appoints three members of the 14-member board of trustees of each community college. The president of the community colleges' student government association serves as a non-voting, ex-officio member of the board of trustees. The community colleges are included as component units of the state. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. In addition to providing annual appropriations for the facilities, the County periodically issues debt to provide financing for new and restructured facilities. The outstanding principal debt as of June 30, 2023, was \$35,485,771. The County contributed \$3,231,467 to South Piedmont Community College for operating and \$3,608,068 for capital purposes during the fiscal year ended June 30, 2023. The majority of the capital purchases are being paid for by general obligation bond proceeds that were issued on August 22, 2019 and on April 12, 2022. In addition, the County made debt service payments of \$3,626,680 during the fiscal year on debt issued for the community college capital facilities. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2023. Complete financial statements for the community

colleges may be obtained from the community colleges' administrative offices at South Piedmont Community College, East Campus, P.O. Box 126, Polkton, NC 28135.

**NOTE 19 - JOINTLY GOVERNED ORGANIZATION**

**Centralina Council of Governments**

The Centralina Council of Governments is a voluntary association of nine County governments and seventy municipalities. The Council was established by the participating governments to coordinate funding from federal and state agencies. Each participating government appoints one member to the council's governing board, whose responsibilities include approving the budget and designating the management of the Council. The County paid membership dues of \$65,940 during the fiscal year ended June 30, 2023. The County was the sub-recipient of a grant for \$1,464,976 from the U.S. Department of Health and Human Services and the Division of Aging and Adult Services of the North Carolina Department of Human Resources that was passed through the Council.

**NOTE 20 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES**

**Federal and State Assisted Programs**

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant monies to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

**NOTE 21 - SIGNIFICANT EFFECTS OF SUBSEQUENT EVENTS**

The County has evaluated subsequent events through October 31, 2023 in connection of preparation of these financial statements, which is the date the financial statements were available to be issued.



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# Required Supplementary Information

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This section contains additional information required by generally accepted accounting principles.

## **Special Separation Allowance**

Schedule of Changes in the Total Pension Liability

Schedule of the Total Pension Liability

Schedule of Employer Contributions

Notes to the Required Schedules

## **Other Postemployment Retiree Healthcare Benefits (OPEB)**

Schedule of Changes in the Total OPEB Liability and Related Ratios

Schedule of Employer Contributions

Schedule of Investment Returns

Notes to the Required Schedules

## **Local Government Employees' Retirement System**

Schedule of the County's Proportionate Share of the Net Pension  
Local Governmental Employees' Retirement System

Schedule of County Contributions  
Local Governmental Employees' Retirement System

## **Register of Deeds Supplemental Pension Fund**

Schedule of the County's Proportionate Share of the Net Pension  
Register of Deeds Supplemental Pension Fund

Schedule of County Contributions  
Register of Deeds Supplemental Pension Fund



**Special Separation Allowance  
Required Supplementary Information  
Schedule of Changes in Total Pension Liability**

Fiscal Year Ending June 30	Beginning Total Pension Liability Balance	Service Cost	Interest	Difference Between Expected and Actual Experience	Change of Assumptions or Other Inputs	Benefit Payments	Ending Total Pension Liability Balance
2017	\$ 13,520,682	\$ 445,951	\$ 462,632	\$ -	\$ (273,929)	\$ (1,123,610)	\$ 13,031,726
2018	13,031,726	450,939	481,447	323,619	845,945	(1,118,031)	14,015,645
2019	14,015,645	519,249	423,659	926,298	(512,563)	(1,217,443)	14,154,845
2020	14,154,845	493,598	492,518	1,268,260	262,802	(1,248,258)	15,423,765
2021	15,423,765	540,214	482,899	1,037,454	4,628,793	(1,221,831)	20,891,294
2022	20,891,294	830,400	391,060	843,430	(563,994)	(1,258,193)	21,133,997
2023	21,133,997	790,701	460,649	905,091	(3,235,043)	(1,321,393)	18,734,002

The amounts presented for each fiscal year were determined as of the prior December 31.

This schedule will not present ten years' worth of fiscal information until 2026.

**Special Separation Allowance  
Required Supplementary Information  
Schedule of Total Pension Liability**

Fiscal Year Ending June 30	Total Pension Liability	Plan Net Position	Net Pension Liability	Ratio of Plan Net Position to Total Pension Liability	Covered Payroll	Net Pension Liability as a Percentage Covered Payroll
2016	\$ 13,520,682	\$ -	\$ 13,520,682	0.00%	\$ 25,506,915	53.01%
2017	13,031,726	2,383,519	10,648,207	18.29%	25,506,915	41.75%
2018	14,015,645	3,185,872	10,829,773	22.73%	27,555,943	39.30%
2019	14,154,845	3,536,079	10,618,766	24.98%	26,620,711	39.89%
2020	15,423,765	3,882,838	11,540,927	25.17%	27,297,241	42.28%
2021	20,891,294	4,191,718	16,699,576	20.06%	27,641,036	60.42%
2022	21,133,997	4,510,454	16,623,543	21.34%	26,133,144	63.61%
2023	18,734,002	4,765,519	13,968,483	25.44%	26,760,051	52.20%

The amounts presented for each fiscal year were determined as of the prior December 31.

This schedule will not present ten years' worth of fiscal information until 2026.

**Special Separation Allowance  
Required Supplementary Information  
Schedule of Employer Contributions**

Fiscal Year Ending June 30	Actuarially Determined Employer Contribution	Actual Employer Contributions	Annual Contribution Deficiency (Excess)	Covered Payroll	Actual Contributions as a Percentage of Covered Payroll
2014	903,943	1,207,462	(303,519)	27,184,187	4.44%
2015	1,135,321	1,766,810	(631,489)	27,091,069	6.52%
2016	1,216,080	1,947,863	(731,783)	27,091,069	7.19%
2017	1,490,931	2,250,437	(759,506)	25,506,915	8.82%
2018	1,506,851	1,546,579	(39,728)	27,555,943	5.61%
2019	1,496,331	1,613,579	(117,248)	26,269,401	6.14%
2020	1,600,437	1,613,579	(13,142)	27,297,241	5.91%
2021	1,747,191	1,598,805	148,386	27,641,036	5.78%
2022	1,933,323	1,747,190	186,133	26,133,144	6.69%
2023	2,790,512	1,939,454	851,058	26,760,051	7.25%

Notes to the Required Schedules:

*Actuarial Assumptions.* The total pension liability was determined by an actuarial valuation as of December 31, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

*Changes of benefit terms.* None

*Changes of assumption.* The assumed rate of return increased from 2.25% to 4.31% The assumed inflation rate remained at 2.50% with real wage growth being 0.75% per annum.

*Method and assumptions used in calculations of actuarially determined contributions.* The actuarially determined contribution rates are determined on an annual basis. The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, Closed
Remaining amortization method	9 years as of December 31, 2021
Asset valuation method	Market value
Inflation	2.50%
Salary increase	3.25-7.75%, including inflation for Law Enforcement Officers 3.25-8.25%, including inflation for General Employees
Investment rate of return	2.25%, net of pension plan investment expense, including inflation

**Other Postemployment Retiree Healthcare Benefits (OPEB)  
Required Supplementary Information  
Schedule of Changes in the Total OPEB Liability and Related Ratios**

<b>Total OPEB Liability</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Service Cost at end of year	\$ 2,728,514	\$ 1,987,859	\$ 2,774,670	\$ 2,936,199	\$ 3,153,453	\$ 3,564,909	\$ 4,117,337
Interest on the Total OPEB Liability	4,019,583	4,389,770	4,874,600	4,573,417	4,350,254	3,952,508	3,641,969
Difference between expected and actual experience	(589,992)	1,066,740	(14,009,110)	308,146	2,656,661	910,489	-
Changes of assumptions or other inputs	(23,938,381)	17,150,645	(689)	(5,777,993)	1,607,421	(10,205,157)	(12,808,598)
Benefit payments	(3,782,521)	(5,017,337)	(4,159,350)	(4,039,770)	(3,459,789)	(3,816,691)	(3,634,511)
Net change in Total OPEB Liability	(21,562,797)	19,577,677	(10,519,879)	(2,000,001)	8,308,000	(5,593,942)	(8,683,803)
Total OPEB Liability - beginning	121,151,045	101,573,368	112,093,247	114,093,248	105,785,248	111,379,190	120,062,993
Total OPEB Liability - ending	<u>\$ 99,588,248</u>	<u>\$ 121,151,045</u>	<u>\$ 101,573,368</u>	<u>\$ 112,093,247</u>	<u>\$ 114,093,248</u>	<u>\$ 105,785,248</u>	<u>\$ 111,379,190</u>
<b>Plan Fiduciary Net Position</b>							
Contributions - employer	\$ 5,777,214	\$ 8,619,384	\$ 6,659,350	\$ 8,712,229	\$ 11,006,979	\$ 13,221,916	\$ 3,634,511
Net investment income	4,089,475	(6,453,703)	7,148,282	2,256,752	2,402,748	947,514	1,610,803
Benefit payments	(3,782,521)	(5,017,337)	(4,159,350)	(4,039,770)	(3,459,789)	(3,816,691)	(3,634,511)
Administrative expense	-	-	-	-	(1,926)	(2,308)	(26,295)
Net change in Plan Fiduciary Net Position	6,084,168	(2,851,656)	9,648,282	6,929,211	9,948,012	10,350,431	1,584,508
Plan Fiduciary Net Position - beginning	55,613,957	58,465,613	48,817,331	41,888,120	31,940,108	21,589,677	20,005,169
Plan Fiduciary Net Position - ending	61,698,125	55,613,957	58,465,613	48,817,331	41,888,120	31,940,108	21,589,677
Net OPEB Liability - ending	<u>\$ 37,890,123</u>	<u>\$ 65,537,088</u>	<u>\$ 43,107,755</u>	<u>\$ 63,275,916</u>	<u>\$ 72,205,128</u>	<u>\$ 73,845,140</u>	<u>\$ 89,789,513</u>
<b>Plan Fiduciary Net Position as a percentage of the Total OPEB Liability</b>	61.95%	45.90%	57.56%	43.55%	36.71%	30.19%	19.38%
<b>Covered Payroll</b>	\$ 23,678,783	\$ 22,976,268	\$ 26,941,927	\$ 29,668,870	\$ 29,668,870	\$ 31,621,099	\$ 31,621,099
<b>Net OPEB Liability as a percentage of covered payroll</b>	160.02%	285.24%	160.00%	213.27%	243.37%	233.53%	283.95%

This schedule will not present ten years' worth of fiscal information until 2026.

**Other Postemployment Retiree Healthcare Benefits (OPEB)  
 Required Supplementary Information  
 Schedule of Employer Contributions**

Fiscal Year Ending June 30	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contribution	Annual Contribution Deficiency/ (Excess)	Covered Payroll	Actual Contributions as a percentage of Covered Payroll
2017	\$ 5,447,207	\$ 3,634,511	\$ 1,812,696	\$ 31,621,099	11.49%
2018	7,483,692	13,221,916	(5,738,224)	31,621,099	41.81%
2019	7,483,692	11,006,979	(3,523,287)	29,668,870	37.10%
2020	7,290,354	8,712,229	(1,421,875)	29,668,870	29.36%
2021	7,290,354	6,659,350	631,004	26,941,927	24.72%
2022	4,995,684	8,619,384	(3,623,700)	22,976,268	37.51%
2023	4,995,684	5,777,214	(781,530)	23,678,783	24.40%

This schedule will not present ten years' worth of fiscal information until 2026.

**Other Postemployment Retiree Healthcare Benefits (OPEB)  
Required Supplementary Information  
Schedule of Investment Returns**

Fiscal Year Ending June 30	Annual Money-Weighted Rate of Return, Net of Investment Expense
2017	4.18 %
2018	3.57 %
2019	6.64 %
2020	4.75 %
2021	14.58 %
2022	(10.54) %
2023	7.16 %

This schedule will not present ten years' worth of fiscal information until 2026.



**Other Postemployment Retiree Healthcare Benefits (OPEB)**  
**Required Supplementary Information**  
**Schedule of Investment Returns**

Notes to the Required Schedules:

*Methods and assumptions used in calculations of Actuarially Determined Contributions.* The Actuarially Determined Contribution rates, as a percentage of payroll, used to determine the Actuarially Determined Contribution amounts in the Schedule of Employer Contributions (Schedule A) are calculated with each biennial actuarial valuation. The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule for the year ending June 30, 2022:

Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar
Amortization period	30 years, Closed
Asset valuation method	Market Value of Assets
Inflation	2.50%
Real wage growth	0.75%
Wage inflation	3.25%
Salary increases, including wage inflation	
General Employees	3.25% - 8.41%
Firefighters	3.25% - 8.15%
Law Enforcement Officers	3.25% - 7.90%
Long-term Investment Rate of Return, net of OPEB plan investment expense, including price inflation	5.14%
Municipal Bond Index Rate	
Prior Measurement Date	3.54%
Measurement Date	3.65%
Year FNP is projected to be depleted	
Prior Measurement Date	N/A
Measurement Date	N/A
Single Equivalent Interest Rate, net of OPEB plan investment expense, including price inflation	
Prior Measurement Date	3.37%
Measurement Date	5.14%
Health Care Cost Trends	
Pre-Medicare	7.00% for 2022 decreasing to an ultimate rate of 4.50% by 2032
Medicare	5.125% for 2022 decreasing to an ultimate rate of 4.50% by 2025
Dental	3.5%

**Schedule of the County's Proportionate Share of the Net Pension Local Governmental Employees' Retirement System Liability (Asset)**

<u>Fiscal Year Ending June 30</u>	<u>County's Proportion of the Net Pension Liability (Asset) %</u>	<u>County's Proportionate Share of the Net Pension Liability (Asset) \$</u>	<u>County's Covered Payroll</u>	<u>County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2014	0.677 %	\$ 8,156,834	\$ 37,047,982	22.02 %	94.35 %
2015	0.698 %	(4,115,601)	39,641,790	(10.38) %	102.64 %
2016	0.751 %	3,371,206	41,860,837	8.05 %	98.09 %
2017	0.781 %	16,575,224	45,271,231	36.61 %	91.47 %
2018	0.809 %	12,366,765	48,703,037	25.39 %	94.18 %
2019	0.822 %	19,506,819	51,978,550	37.53 %	92.00 %
2020	0.883 %	24,104,756	58,149,314	41.45 %	90.86 %
2021	0.927 %	33,140,310	64,741,584	51.19 %	88.61 %
2022	0.955 %	14,644,922	68,790,940	21.29 %	95.51 %
2023	0.982 %	55,424,774	73,292,362	75.62 %	84.14 %

**Union County, North Carolina**  
**Schedule of County Contributions**  
**Local Governmental Employees' Retirement System**

**Exhibit T**

Fiscal Year Ending June 30	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	County's Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 2,828,849	\$ 2,828,849	\$ -	\$ 39,641,790	7.14 %
2015	2,987,462	2,987,462	-	41,860,837	7.14 %
2016	3,101,050	3,101,050	-	45,271,231	6.85 %
2017	3,644,496	3,644,496	-	48,703,037	7.48 %
2018	4,011,757	4,011,757	-	51,978,550	7.72 %
2019	4,648,254	4,648,254	-	58,149,314	7.99 %
2020	5,944,013	5,944,013	-	64,741,584	9.18 %
2021	7,159,791	7,159,791	-	68,790,940	10.41 %
2022	8,472,053	8,472,053	-	73,292,362	11.56 %
2023	10,002,124	10,002,124	-	80,488,203	12.43 %

**Schedule of the County's Proportionate Share of the Net Pension Register of Deed's Supplemental Pension Fund Liability (Asset)**

<u>Fiscal Year Ending June 30</u>	<u>County's Proportion of the Net Pension Liability (Asset) %</u>	<u>County's Proportionate Share of the Net Pension Liability (Asset) \$</u>	<u>County's Covered Payroll</u>	<u>County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2014	(2.580) %	\$ (551,028)	\$ 74,068	(743.95) %	190.50 %
2015	(2.508) %	(568,361)	77,365	(734.65) %	193.88 %
2016	(2.618) %	(606,651)	79,911	(759.16) %	197.29 %
2017	(2.607) %	(487,471)	83,109	(586.54) %	160.17 %
2018	(2.613) %	(446,073)	85,526	(521.56) %	153.77 %
2019	(2.502) %	(414,353)	88,014	(470.78) %	153.31 %
2020	(2.327) %	(459,398)	92,101	(498.80) %	164.11 %
2021	(2.813) %	(644,619)	104,610	(616.21) %	173.62 %
2022	(3.019) %	(580,060)	107,850	(537.84) %	156.53 %
2023	(2.858) %	(378,453)	111,673	(338.89) %	139.04 %

Union County, North Carolina  
**Schedule of County Contributions**  
**Register of Deed's Supplemental Pension Fund**

**Exhibit V**

Fiscal Year Ending June 30	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	County's Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 20,473	\$ 20,473	\$ -	\$ 77,365	26.46 %
2015	20,947	20,947	-	79,911	26.21 %
2016	21,300	21,300	-	83,109	25.63 %
2017	22,706	22,706	-	85,526	26.55 %
2018	21,409	21,409	-	88,014	24.32 %
2019	22,118	22,118	-	92,101	24.01 %
2020	26,932	26,932	-	104,610	25.75 %
2021	36,233	36,233	-	107,850	33.60 %
2022	32,768	32,768	-	111,673	29.34 %
2023	27,630	27,630	-	115,653	23.89 %



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# Combining and Individual Fund Statements

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**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
June 30, 2023

	Allens Crossroad Fire District Fund	Bakers Fire District Fund	Beaver Lane Fire District Fund	Fairview Fire District Fund
<b>ASSETS</b>				
Cash and investments	\$ 23,839	\$ 77,158	\$ 56,224	\$ -
Property taxes receivable, net	917	3,661	4,642	1,368
Accounts receivable, net	13,756	64,015	33,695	14,955
Cash and investments, restricted	-	-	-	-
Total assets	<u>\$ 38,512</u>	<u>\$ 144,834</u>	<u>\$ 94,561</u>	<u>\$ 16,323</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Advances from other funds	-	-	-	1,419
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,419</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Total liabilities and deferred inflows of resources	<u>952</u>	<u>3,770</u>	<u>4,723</u>	<u>1,424</u>
<b>FUND BALANCES</b>				
Restricted	37,560	141,064	89,838	13,480
Unassigned	-	-	-	-
Total fund balances	<u>37,560</u>	<u>141,064</u>	<u>89,838</u>	<u>13,480</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 38,512</u>	<u>\$ 144,834</u>	<u>\$ 94,561</u>	<u>\$ 16,323</u>

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**Combining Balance Sheet  
Nonmajor Special Revenue Funds**

June 30, 2023

	Griffith Road Fire District Fund	Hemby Bridge Fire District Fund	Jackson Fire District Fund	Lanes Creek Fire District Fund
<b>ASSETS</b>				
Cash and investments	\$ 11,434	\$ 137,375	\$ 11,058	\$ 10,428
Property taxes receivable, net	386	7,621	755	1,150
Accounts receivable, net	3,881	150,788	11,808	11,509
Cash and investments, restricted	-	-	-	-
Total assets	<u>\$ 15,701</u>	<u>\$ 295,784</u>	<u>\$ 23,621</u>	<u>\$ 23,087</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Advances from other funds	-	-	-	-
Total liabilities	-	-	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Total liabilities and deferred inflows of resources	393	8,820	791	1,169
<b>FUND BALANCES</b>				
Restricted	15,308	286,964	22,830	21,918
Unassigned	-	-	-	-
Total fund balances	15,308	286,964	22,830	21,918
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 15,701</u>	<u>\$ 295,784</u>	<u>\$ 23,621</u>	<u>\$ 23,087</u>

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**Combining Balance Sheet  
Nonmajor Special Revenue Funds**

June 30, 2023

	New Salem Fire District Fund	Providence Fire District Fund	Sandy Ridge Fire District Fund	Springs Fire District Fund
<b>ASSETS</b>				
Cash and investments	\$ 29,217	\$ 21,573	\$ 11,358	\$ 82,574
Property taxes receivable, net	2,784	2	627	4,399
Accounts receivable, net	28,793	2,510	13,231	68,705
Cash and investments, restricted	-	-	-	-
Total assets	<u>\$ 60,794</u>	<u>\$ 24,085</u>	<u>\$ 25,216</u>	<u>\$ 155,678</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Advances from other funds	-	-	-	-
Total liabilities	-	-	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Total liabilities and deferred inflows of resources	<u>2,909</u>	<u>2</u>	<u>672</u>	<u>4,706</u>
<b>FUND BALANCES</b>				
Restricted	57,885	24,083	24,544	150,972
Unassigned	-	-	-	-
Total fund balances	<u>57,885</u>	<u>24,083</u>	<u>24,544</u>	<u>150,972</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 60,794</u>	<u>\$ 24,085</u>	<u>\$ 25,216</u>	<u>\$ 155,678</u>

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**Combining Balance Sheet  
Nonmajor Special Revenue Funds**

June 30, 2023

	Stack Road Fire District Fund	Stallings Fire District Fund	Unionville Fire District Fund	Waxhaw Fire District Fund
<b>ASSETS</b>				
Cash and investments	\$ 16,124	\$ 134,571	\$ 146,625	\$ 72,425
Property taxes receivable, net	564	6,704	4,944	5,277
Accounts receivable, net	12,739	136,382	62,044	130,132
Cash and investments, restricted	-	-	-	-
Total assets	<u>\$ 29,427</u>	<u>\$ 277,657</u>	<u>\$ 213,613</u>	<u>\$ 207,834</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Advances from other funds	-	-	-	-
Total liabilities	-	-	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Total liabilities and deferred inflows of resources	611	6,934	5,142	5,497
	<u>611</u>	<u>6,934</u>	<u>5,142</u>	<u>5,497</u>
<b>FUND BALANCES</b>				
Restricted	28,816	270,723	208,471	202,337
Unassigned	-	-	-	-
Total fund balances	<u>28,816</u>	<u>270,723</u>	<u>208,471</u>	<u>202,337</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 29,427</u>	<u>\$ 277,657</u>	<u>\$ 213,613</u>	<u>\$ 207,834</u>

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**Combining Balance Sheet  
Nonmajor Special Revenue Funds**

June 30, 2023

	Wesley Chapel Fire District Fund	Wingate Fire District Fund	Fee Supported Fire Districts Fund	Emergency Telephone System Fund
<b>ASSETS</b>				
Cash and investments	\$ 184,579	\$ 47,662	\$ 102,084	\$ 1,967,574
Property taxes receivable, net	5,161	4,967	-	-
Accounts receivable, net	224,102	34,530	1	27,525
Cash and investments, restricted	-	-	-	-
Total assets	<u>\$ 413,842</u>	<u>\$ 87,159</u>	<u>\$ 102,085</u>	<u>\$ 1,995,099</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 79,267
Advances from other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,267</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Total liabilities and deferred inflows of resources	<u>5,548</u>	<u>5,320</u>	<u>1</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted	408,294	81,839	102,084	1,915,832
Unassigned	-	-	-	-
Total fund balances	<u>408,294</u>	<u>81,839</u>	<u>102,084</u>	<u>1,915,832</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 413,842</u>	<u>\$ 87,159</u>	<u>\$ 102,085</u>	<u>\$ 1,995,099</u>

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**Combining Balance Sheet  
Nonmajor Special Revenue Funds**

June 30, 2023

	DSS Representative Payee Fund	Opioid Settlement Fund	Automation Enhancement Fund	Fines and Forfeitures Fund
<b>ASSETS</b>				
Cash and investments	\$ 172,388	\$ -	\$ 547,299	\$ 500,266
Property taxes receivable, net	-	-	-	-
Accounts receivable, net	-	-	-	17,487
Cash and investments, restricted	-	1,240,142	-	-
Total assets	<u>\$ 172,388</u>	<u>\$ 1,240,142</u>	<u>\$ 547,299</u>	<u>\$ 517,753</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 126,030	\$ 517,753
Advances from other funds	-	-	-	-
Total liabilities	-	-	126,030	517,753
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Total liabilities and deferred inflows of resources	-	-	-	-
	-	-	126,030	517,753
<b>FUND BALANCES</b>				
Restricted	172,388	1,240,142	421,269	17,487
Unassigned	-	-	-	(17,487)
Total fund balances	172,388	1,240,142	421,269	-
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 172,388</u>	<u>\$ 1,240,142</u>	<u>\$ 547,299</u>	<u>\$ 517,753</u>

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**Combining Balance Sheet  
Nonmajor Special Revenue Funds**

June 30, 2023

	<u>Civil Fees Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
<b>ASSETS</b>		
Cash and investments	\$ 8,885	\$ 4,372,720
Property taxes receivable, net	-	55,929
Accounts receivable, net	-	1,062,588
Cash and investments, restricted	-	1,240,142
Total assets	<u>\$ 8,885</u>	<u>\$ 6,731,379</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ -	\$ 723,050
Advances from other funds	-	1,419
Total liabilities	<u>-</u>	<u>724,469</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Total liabilities and deferred inflows of resources	<u>-</u>	<u>59,384</u>
<b>FUND BALANCES</b>		
Restricted	8,885	5,965,013
Unassigned	-	(17,487)
Total fund balances	<u>8,885</u>	<u>5,947,526</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,885</u>	<u>\$ 6,731,379</u>



**Combining Statement of Revenues, Expenditures and Changes in Fund Balances****Nonmajor Special Revenue Funds**

For the Year Ended June 30, 2023

	Allens Crossroad Fire District Fund	Bakers Fire District Fund	Beaver Lane Fire District Fund	Fairview Fire District Fund
<b>REVENUES</b>				
Ad valorem taxes	\$ 171,722	\$ 786,796	\$ 451,203	\$ 376,146
Local option sales tax	48,581	223,861	120,161	44,399
Other taxes and licenses	-	-	-	-
Permits and fees	-	-	-	-
Investment earnings	17	112	52	50
Miscellaneous	-	-	-	-
Total revenues	<u>220,320</u>	<u>1,010,769</u>	<u>571,416</u>	<u>420,595</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	342,987	1,851,419	945,048	818,091
Human services	-	-	-	-
Education	-	-	-	-
Principal - leases	-	-	-	-
Interest - leases	-	-	-	-
Total expenditures	<u>342,987</u>	<u>1,851,419</u>	<u>945,048</u>	<u>818,091</u>
Excess (deficiency) of revenues over (under) expenditures	(122,667)	(840,650)	(373,632)	(397,496)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	<u>137,306</u>	<u>740,724</u>	<u>380,900</u>	<u>327,100</u>
Total other financing sources (uses)	<u>137,306</u>	<u>740,724</u>	<u>380,900</u>	<u>327,100</u>
Net change in fund balances	14,639	(99,926)	7,268	(70,396)
<b>FUND BALANCES</b>				
Beginning	<u>22,921</u>	<u>240,990</u>	<u>82,570</u>	<u>83,876</u>
Ending	<u>\$ 37,560</u>	<u>\$ 141,064</u>	<u>\$ 89,838</u>	<u>\$ 13,480</u>

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## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

## Nonmajor Special Revenue Funds

For the Year Ended June 30, 2023

	Griffith Road Fire District Fund	Hemby Bridge Fire District Fund	Jackson Fire District Fund	Lanes Creek Fire District Fund
<b>REVENUES</b>				
Ad valorem taxes	\$ 40,059	\$ 1,850,004	\$ 191,031	\$ 153,886
Local option sales tax	13,659	531,768	40,380	39,839
Other taxes and licenses	-	-	-	-
Permits and fees	-	-	-	-
Investment earnings	6	273	20	25
Miscellaneous	-	-	-	-
Total revenues	<u>53,724</u>	<u>2,382,045</u>	<u>231,431</u>	<u>193,750</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	114,692	2,942,315	384,536	329,447
Human services	-	-	-	-
Education	-	-	-	-
Principal - leases	-	-	-	-
Interest - leases	-	-	-	-
Total expenditures	<u>114,692</u>	<u>2,942,315</u>	<u>384,536</u>	<u>329,447</u>
Excess (deficiency) of revenues over (under) expenditures	(60,968)	(560,270)	(153,105)	(135,697)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	<u>61,694</u>	<u>588,517</u>	<u>153,870</u>	<u>131,860</u>
Total other financing sources (uses)	<u>61,694</u>	<u>588,517</u>	<u>153,870</u>	<u>131,860</u>
Net change in fund balances	726	28,247	765	(3,837)
<b>FUND BALANCES</b>				
Beginning	<u>14,582</u>	<u>258,717</u>	<u>22,065</u>	<u>25,755</u>
Ending	<u>\$ 15,308</u>	<u>\$ 286,964</u>	<u>\$ 22,830</u>	<u>\$ 21,918</u>

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## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

## Nonmajor Special Revenue Funds

For the Year Ended June 30, 2023

	New Salem Fire District Fund	Providence Fire District Fund	Sandy Ridge Fire District Fund	Springs Fire District Fund
<b>REVENUES</b>				
Ad valorem taxes	\$ 337,918	\$ 33,029	\$ 134,511	\$ 905,142
Local option sales tax	100,232	9,474	45,994	234,417
Other taxes and licenses	-	-	-	-
Permits and fees	-	-	-	-
Investment earnings	48	1	29	128
Miscellaneous	-	-	-	-
Total revenues	<u>438,198</u>	<u>42,504</u>	<u>180,534</u>	<u>1,139,687</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	780,505	86,346	317,094	1,353,136
Human services	-	-	-	-
Education	-	-	-	-
Principal - leases	-	-	-	-
Interest - leases	-	-	-	-
Total expenditures	<u>780,505</u>	<u>86,346</u>	<u>317,094</u>	<u>1,353,136</u>
Excess (deficiency) of revenues over (under) expenditures	(342,307)	(43,842)	(136,560)	(213,449)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	312,319	34,565	126,919	273,767
Total other financing sources (uses)	<u>312,319</u>	<u>34,565</u>	<u>126,919</u>	<u>273,767</u>
Net change in fund balances	(29,988)	(9,277)	(9,641)	60,318
<b>FUND BALANCES</b>				
Beginning	87,873	33,360	34,185	90,654
Ending	<u>\$ 57,885</u>	<u>\$ 24,083</u>	<u>\$ 24,544</u>	<u>\$ 150,972</u>

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## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

## Nonmajor Special Revenue Funds

For the Year Ended June 30, 2023

	Stack Road Fire District Fund	Stallings Fire District Fund	Unionville Fire District Fund	Waxhaw Fire District Fund
<b>REVENUES</b>				
Ad valorem taxes	\$ 123,106	\$ 1,723,022	\$ 765,335	\$ 1,665,639
Local option sales tax	45,493	483,498	210,806	459,706
Other taxes and licenses	-	-	-	-
Permits and fees	-	-	-	-
Investment earnings	19	204	126	228
Miscellaneous	-	-	-	-
Total revenues	168,618	2,206,724	976,267	2,125,573
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	291,553	2,679,600	1,067,123	2,904,705
Human services	-	-	-	-
Education	-	-	-	-
Principal - leases	-	-	-	-
Interest - leases	-	-	-	-
Total expenditures	291,553	2,679,600	1,067,123	2,904,705
Excess (deficiency) of revenues over (under) expenditures	(122,935)	(472,876)	(90,856)	(779,132)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	119,390	535,830	213,185	702,516
Total other financing sources (uses)	119,390	535,830	213,185	702,516
Net change in fund balances	(3,545)	62,954	122,329	(76,616)
<b>FUND BALANCES</b>				
Beginning	32,361	207,769	86,142	278,953
Ending	\$ 28,816	\$ 270,723	\$ 208,471	\$ 202,337

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## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

## Nonmajor Special Revenue Funds

For the Year Ended June 30, 2023

	Wesley Chapel Fire District Fund	Wingate Fire District Fund	Fee Supported Fire Districts Fund	Emergency Telephone System Fund
<b>REVENUES</b>				
Ad valorem taxes	\$ 2,888,241	\$ 422,658	\$ -	\$ -
Local option sales tax	794,848	119,586	-	-
Other taxes and licenses	-	-	-	330,299
Permits and fees	-	-	8,885	-
Investment earnings	318	66	-	27,440
Miscellaneous	-	-	-	-
Total revenues	<u>3,683,407</u>	<u>542,310</u>	<u>8,885</u>	<u>357,739</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	-	-
Public safety	4,961,590	904,179	-	1,014,465
Human services	-	-	-	-
Education	-	-	-	-
Principal - leases	-	-	-	446
Interest - leases	-	-	-	7
Total expenditures	<u>4,961,590</u>	<u>904,179</u>	<u>-</u>	<u>1,014,918</u>
Excess (deficiency) of revenues over (under) expenditures	(1,278,183)	(361,869)	8,885	(657,179)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	<u>1,237,996</u>	<u>367,759</u>	<u>-</u>	<u>61,518</u>
Total other financing sources (uses)	<u>1,237,996</u>	<u>367,759</u>	<u>-</u>	<u>61,518</u>
Net change in fund balances	(40,187)	5,890	8,885	(595,661)
<b>FUND BALANCES</b>				
Beginning	<u>448,481</u>	<u>75,949</u>	<u>93,199</u>	<u>2,511,493</u>
Ending	<u>\$ 408,294</u>	<u>\$ 81,839</u>	<u>\$ 102,084</u>	<u>\$ 1,915,832</u>

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**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**

**Nonmajor Special Revenue Funds**

For the Year Ended June 30, 2023

	DSS Representative Payee Fund	Opioid Settlement Fund	Automation Enhancement Fund	Fines and Forfeitures Fund
<b>REVENUES</b>				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -
Local option sales tax	-	-	-	-
Other taxes and licenses	-	-	-	-
Permits and fees	-	-	161,874	-
Investment earnings	-	15,546	-	-
Miscellaneous	607,270	861,692	-	1,034,617
Total revenues	<u>607,270</u>	<u>877,238</u>	<u>161,874</u>	<u>1,034,617</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	126,030	-
Public safety	-	-	-	-
Human services	529,297	-	-	-
Education	-	-	-	1,034,617
Principal - leases	-	-	-	-
Interest - leases	-	-	-	-
Total expenditures	<u>529,297</u>	<u>-</u>	<u>126,030</u>	<u>1,034,617</u>
Excess (deficiency) of revenues over (under) expenditures	77,973	877,238	35,844	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	77,973	877,238	35,844	-
<b>FUND BALANCES</b>				
Beginning	94,415	362,904	385,425	-
Ending	<u>\$ 172,388</u>	<u>\$ 1,240,142</u>	<u>\$ 421,269</u>	<u>\$ -</u>

continued on next page

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances****Nonmajor Special Revenue Funds**

For the Year Ended June 30, 2023

	Civil Fees Fund	Total Nonmajor Special Revenue Funds
<b>REVENUES</b>		
Ad valorem taxes	\$ -	\$ 13,019,448
Local option sales tax	-	3,566,702
Other taxes and licenses	-	330,299
Permits and fees	-	170,759
Investment earnings	-	44,708
Miscellaneous	434,575	2,938,154
Total revenues	<u>434,575</u>	<u>20,070,070</u>
<b>EXPENDITURES</b>		
Current:		
General government	-	126,030
Public safety	428,810	24,517,641
Human services	-	529,297
Education	-	1,034,617
Principal - leases	-	446
Interest - leases	-	7
Total expenditures	<u>428,810</u>	<u>26,208,038</u>
Excess (deficiency) of revenues over (under) expenditures	5,765	(6,137,968)
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers from other funds	-	6,507,735
Total other financing sources (uses)	<u>-</u>	<u>6,507,735</u>
Net change in fund balances	5,765	369,767
<b>FUND BALANCES</b>		
Beginning	<u>3,120</u>	<u>5,577,759</u>
Ending	<u>\$ 8,885</u>	<u>\$ 5,947,526</u>

**Combining Statement of Net Position**

**Internal Service Funds**

June 30, 2023

	Health Benefits Fund	Workers' Compensation Fund	Property and Casualty Fund	Total
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 6,434,084	\$ 1,722,454	\$ 862,580	\$ 9,019,118
Accounts receivable, net	13,960	706	211	14,877
Total assets	<u>6,448,044</u>	<u>1,723,160</u>	<u>862,791</u>	<u>9,033,995</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
	-	31,927	30,719	62,646
Total assets and deferred outflows of resources	<u>6,448,044</u>	<u>1,755,087</u>	<u>893,510</u>	<u>9,096,641</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	65,281	18,338	3,279	86,898
Current portion of compensated absences	-	7,220	6,934	14,154
Workers' compensation claims payable	-	484,717	-	484,717
Health care benefits payable	1,707,079	-	-	1,707,079
Property and casualty claims payable	-	-	362,260	362,260
Non-current liabilities:				
Noncurrent portion of compensated absences	-	2,399	2,481	4,880
Net pension liability, LGERS	-	47,681	45,876	93,557
Total liabilities	<u>1,772,360</u>	<u>560,355</u>	<u>420,830</u>	<u>2,753,545</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
	-	201	194	395
Total liabilities and deferred inflows of resources	<u>1,772,360</u>	<u>560,556</u>	<u>421,024</u>	<u>2,753,940</u>
<b>NET POSITION</b>				
Unrestricted	<u>4,675,684</u>	<u>1,194,531</u>	<u>472,486</u>	<u>6,342,701</u>
Total net position	<u>\$ 4,675,684</u>	<u>\$ 1,194,531</u>	<u>\$ 472,486</u>	<u>\$ 6,342,701</u>

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position****Internal Service Funds**

For the Year Ended June 30, 2023

	Health Benefits Fund	Workers' Compensation Fund	Property and Casualty Fund	Total
<b>OPERATING REVENUES</b>				
Interfund charges and employee contributions	\$ 25,893,229	\$ 771,159	\$ 1,710,881	\$ 28,375,269
Miscellaneous revenue	-	3,217	1,853	5,070
Total operating revenues	<u>25,893,229</u>	<u>774,376</u>	<u>1,712,734</u>	<u>28,380,339</u>
<b>OPERATING EXPENSES</b>				
Personnel	(23,269)	109,092	104,639	190,462
Operating expenses	3,448,339	237,065	40,000	3,725,404
Worker's compensation claims	-	592,489	-	592,489
Health benefit claims and premiums	20,281,283	-	-	20,281,283
Property and casualty claims and premiums	-	-	1,463,302	1,463,302
Total operating expenses	<u>23,706,353</u>	<u>938,646</u>	<u>1,607,941</u>	<u>26,252,940</u>
Operating income (loss)	2,186,876	(164,270)	104,793	2,127,399
<b>NONOPERATING REVENUES</b>				
Investment earnings	<u>141,994</u>	<u>39,419</u>	<u>11,852</u>	<u>193,265</u>
Change in net position	2,328,870	(124,851)	116,645	2,320,664
<b>NET POSITION</b>				
Beginning	2,346,814	1,319,382	355,841	4,022,037
Ending	<u>\$ 4,675,684</u>	<u>\$ 1,194,531</u>	<u>\$ 472,486</u>	<u>\$ 6,342,701</u>



**Combining Statement of Cash Flows  
Internal Service Funds**

For the Year Ended June 30, 2023

	Health Benefits Fund	Workers' Compensation Fund	Property and Casualty Fund	Total
<b>OPERATING ACTIVITIES</b>				
Cash received from customers for services	\$ 25,891,818	\$ 772,982	\$ 1,710,834	\$ 28,375,634
Other operating revenue	-	3,217	1,853	5,070
Cash paid to employees	(401)	(103,871)	(99,654)	(203,926)
Cash paid for goods and services	(23,967,395)	(526,287)	(1,502,918)	(25,996,600)
Cash paid	-	-	-	-
Net cash provided (used) by operating activities	<u>1,924,022</u>	<u>146,041</u>	<u>110,115</u>	<u>2,180,178</u>
<b>INVESTING ACTIVITIES</b>				
Proceeds from sale of investments	-	-	-	-
Purchase of investments	-	-	-	-
Investment earnings	141,994	39,419	11,852	193,265
Net cash provided by investing activities	<u>141,994</u>	<u>39,419</u>	<u>11,852</u>	<u>193,265</u>
Net change in cash and investments	2,066,016	185,460	121,967	2,373,443
<b>CASH AND INVESTMENTS</b>				
Beginning of year	4,368,068	1,536,994	740,613	6,645,675
End of year	<u>\$ 6,434,084</u>	<u>\$ 1,722,454</u>	<u>\$ 862,580</u>	<u>\$ 9,019,118</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ 2,186,876	\$ (164,270)	\$ 104,793	\$ 2,127,399
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	-	-	-	-
Change in assets, deferred outflows, liabilities and deferred inflows				
Accounts receivable	(1,411)	1,823	(47)	365
Inventories	-	-	-	-
Deferred outflows of resources - LGERS	24,790	(10,709)	(10,299)	3,782
Deferred outflows of resources - OPEB	-	-	-	-
Deferred outflows of resources - Sep. Allow.	-	-	-	-
Accounts payable and accrued liabilities	(237,773)	303,267	384	65,878
Compensated absences payable	(10,778)	301	253	(10,224)
Net pension liability, LGERS	(15,515)	34,401	33,096	51,982
Net OPEB liability	-	-	-	-
Net pension liability, separation allowance	-	-	-	-
Deferred inflows of resources - LGERS	(22,167)	(18,772)	(18,065)	(59,004)
Deferred inflows of resources - OPEB	-	-	-	-
Deferred inflows of resources - Sep. Allow.	-	-	-	-
Total adjustments	<u>(262,854)</u>	<u>310,311</u>	<u>5,322</u>	<u>52,779</u>
Net cash provided (used) by operating activities	<u>\$ 1,924,022</u>	<u>\$ 146,041</u>	<u>\$ 110,115</u>	<u>\$ 2,180,178</u>

**Combining Statement of Fiduciary Net Position - Pension Trust Funds**

June 30, 2023

	Special Separation Allowance Pension Trust Fund	Other Postemployment Retiree Healthcare Benefits (OPEB) Pension Trust Fund	Total
<b>ASSETS</b>			
Investments:			
State Treasurer's Office OPEB Trust Separation Allowance Trust Fund	\$ - 5,118,983	\$ 61,698,125 -	\$ 61,698,125 5,118,983
Total assets	<u>5,118,983</u>	<u>61,698,125</u>	<u>66,817,108</u>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	1,872	-	1,872
Advances from other funds	<u>1,367</u>	<u>-</u>	<u>1,367</u>
Total liabilities	<u>3,239</u>	<u>-</u>	<u>3,239</u>
<b>NET POSITION</b>			
State Treasurer's Office OPEB Trust Separation Allowance Trust Fund	- <u>5,115,744</u>	61,698,125 <u>-</u>	61,698,125 <u>5,115,744</u>
Total net position	<u>\$ 5,115,744</u>	<u>\$ 61,698,125</u>	<u>\$ 66,813,869</u>

**Combining Statement of Changes in Fiduciary Net Position - Pension Trust Funds**

For the Year Ended June 30, 2023

	Special Separation Allowance Pension Trust Fund	Other Postemployment Retiree Healthcare Benefits (OPEB) Pension Trust Fund	Total
<b>ADDITIONS</b>			
Employer contributions	\$ 1,939,454	\$ 5,777,214	\$ 7,716,668
Net investment income	-	4,089,475	4,089,475
Total additions	<u>1,939,454</u>	<u>9,866,689</u>	<u>11,806,143</u>
<b>DEDUCTIONS</b>			
Benefits	<u>1,499,150</u>	<u>3,782,521</u>	<u>5,281,671</u>
Total deductions	<u>1,499,150</u>	<u>3,782,521</u>	<u>5,281,671</u>
Change in net position	440,304	6,084,168	6,524,472
<b>NET POSITION</b>			
Beginning	<u>4,675,440</u>	<u>55,613,957</u>	<u>60,289,397</u>
Ending	<u>\$ 5,115,744</u>	<u>\$ 61,698,125</u>	<u>\$ 66,813,869</u>

**Combining Statement of Fiduciary Assets and Liabilities - Custodial Funds**

For the Year Ended June 30, 2023

	Jail Inmate Fund	Municipal Tax Collection Fund	Gross Rental Receipts Tax Fund	Total
<b>ASSETS</b>				
Cash and cash equivalents	\$ 59,830	\$ 21,252	\$ 910	\$ 81,992
Accounts receivable, net	-	626,213	-	626,213
Total assets	<u>\$ 59,830</u>	<u>\$ 647,465</u>	<u>\$ 910</u>	<u>\$ 708,205</u>
<b>NET POSITION</b>				
Restricted for:				
Individuals, organizations, and other governments	<u>59,830</u>	<u>647,465</u>	<u>910</u>	<u>708,205</u>
Total net position	<u>\$ 59,830</u>	<u>\$ 647,465</u>	<u>\$ 910</u>	<u>\$ 708,205</u>

**Combining Statement of Changes in Fiduciary Net Position  
Custodial Funds**  
For The Year Ended June 30, 2023

	<u>Jail Inmate Fund</u>	<u>Municipal Tax Collection Fund</u>	<u>Gross Rental Receipts Tax Fund</u>	<u>Total Custodial Funds</u>
<b>ADDITIONS</b>				
Ad Valorem taxes for other governments	\$ -	\$ 27,520,042	\$ 183,974	\$ 27,704,016
Collections on behalf of inmates	708,921	-	-	708,921
Total Additions	<u>708,921</u>	<u>27,520,042</u>	<u>183,974</u>	<u>28,412,937</u>
<b>DEDUCTIONS</b>				
Due to program participants	-	27,899,416	184,308	28,083,724
Payments on behalf of inmates	703,909	-	-	703,909
Total Deductions	<u>703,909</u>	<u>27,899,416</u>	<u>184,308</u>	<u>28,787,633</u>
Net increase (decrease) in fiduciary net position	5,012	(379,374)	(334)	(374,696)
<b>NET POSITION</b>				
Beginning of year - July 1	54,818	1,026,839	1,244	1,082,901
End of year - June 30	<u>\$ 59,830</u>	<u>\$ 647,465</u>	<u>\$ 910</u>	<u>\$ 708,205</u>



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# General Fund

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The General Fund accounts for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in other funds.





Union County, North Carolina

Schedule 10

General Fund - Combining  
Balance Sheet

June 30, 2023

	General	Debt Service Budgetary Fund	Economic Development Budgetary Fund	Total
<b>ASSETS</b>				
Cash and investments	\$ 123,297,578	\$ 10,044,439	\$ 271,894	\$ 133,613,911
Property taxes receivable, net	945,311	143,935	-	1,089,246
Accounts receivable, net	27,816,750	783,185	372	28,600,307
Lease receivable	154,193,514	-	-	154,193,514
Accrued interest receivable on leases	1,991,360	-	-	1,991,360
Inventories	52,487	-	-	52,487
Prepaid Item	8,655	-	-	8,655
Advances to other funds	2,786	-	-	2,786
Cash and investments, restricted	-	9,866,334	6,450,377	16,316,711
Cash and investments, restricted-deposits	562,998	-	-	562,998
Total assets	<u>\$ 308,871,439</u>	<u>\$ 20,837,893</u>	<u>\$ 6,722,643</u>	<u>\$ 336,431,975</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 7,710,296	\$ -	\$ -	\$ 7,710,296
Deposits	562,998	-	-	562,998
Total liabilities	<u>8,273,294</u>	<u>-</u>	<u>-</u>	<u>8,273,294</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>160,323,751</u>	<u>154,366</u>	<u>-</u>	<u>160,478,117</u>
<b>FUND BALANCE</b>				
Nonspendable	61,142	-	-	61,142
Restricted	30,826,552	867,686	372	31,694,610
Committed	71,391,899	-	-	71,391,899
Assigned	20,834,010	1,304,050	31,816	22,169,876
Unassigned	17,160,791	18,511,791	6,690,455	42,363,037
Total fund balance	<u>140,274,394</u>	<u>20,683,527</u>	<u>6,722,643</u>	<u>167,680,564</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 308,871,439</u>	<u>\$ 20,837,893</u>	<u>\$ 6,722,643</u>	<u>\$ 336,431,975</u>

# Union County, North Carolina

Schedule 11

## Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances

### General Fund

For the Year Ended June 30, 2023

	General	Debt Service Budgetary Fund	Economic Development Budgetary Fund	Total
<b>REVENUES</b>				
Ad valorem taxes	\$ 186,873,868	\$ 39,354,531	\$ 1,498,034	\$ 227,726,433
Local option sales tax	69,967,844	-	-	69,967,844
Other taxes and licenses	4,500,236	-	-	4,500,236
Intergovernmental	38,696,834	2,888,313	-	41,585,147
Permits and fees	5,672,591	-	-	5,672,591
Sales and services	6,196,783	-	-	6,196,783
Investment earnings	5,531,293	426,648	311,192	6,269,133
Miscellaneous	9,277,037	-	-	9,277,037
Total revenues	<u>326,716,486</u>	<u>42,669,492</u>	<u>1,809,226</u>	<u>371,195,204</u>
<b>EXPENDITURES</b>				
Current:				
General government	33,941,280	121,085	-	34,062,365
Public safety	65,735,162	603	-	65,735,765
Economic and physical development	4,729,943	-	4,800	4,734,743
Human services	50,695,484	-	-	50,695,484
Cultural and recreational	7,905,610	499	-	7,906,109
Intergovernmental:				
Education	119,681,624	915,999	-	120,597,623
Debt service:				
Principal bond retirement	-	35,586,000	1,083,000	36,669,000
Principal - leases	335,600	-	-	335,600
Principal - subscriptions	921,459	-	-	921,459
Interest on long term debt	-	11,133,317	494,754	11,628,071
Interest - leases	5,873	-	-	5,873
Interest - subscriptions	42,921	-	-	42,921
Total expenditures	<u>283,994,956</u>	<u>47,757,503</u>	<u>1,582,554</u>	<u>333,335,013</u>
Excess (deficiency) of revenues over (under) expenditures	<u>42,721,530</u>	<u>(5,088,011)</u>	<u>226,672</u>	<u>37,860,191</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	17,786,479	10,000,000	-	27,786,479
Transfers to other funds	(47,218,267)	-	(400,000)	(47,618,267)
Issuance of general obligation bonds, premiums	-	10,043,962	-	10,043,962
Issuance of refunding installment financing	-	23,210,000	-	23,210,000
Issuance of refunding installment, premium	-	2,898,446	-	2,898,446
Issuance of lease liability	1,379,623	-	-	1,379,623
Issuance of subscription liability	3,004,974	-	-	3,004,974
Payments to refunded installment fin escrow agents	-	(25,956,223)	-	(25,956,223)
Total other financing sources (uses)	<u>(25,047,191)</u>	<u>20,196,185</u>	<u>(400,000)</u>	<u>(5,251,006)</u>
Net change in fund balances	<u>17,674,339</u>	<u>15,108,174</u>	<u>(173,328)</u>	<u>32,609,185</u>
<b>FUND BALANCES</b>				
Beginning	122,600,055	5,575,353	6,895,971	135,071,379
Ending	<u>\$ 140,274,394</u>	<u>\$ 20,683,527</u>	<u>\$ 6,722,643</u>	<u>\$ 167,680,564</u>

**General Fund**  
**Comparative Balance Sheet**  
June 30, 2023 and 2022

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
<b>ASSETS</b>		
Cash and investments	\$ 123,297,578	\$ 101,384,373
Property taxes receivable, net	945,311	914,276
Accounts receivable, net	27,816,750	33,731,096
Lease receivable	154,193,514	156,382,360
Accrued interest receivable on leases	1,991,360	2,008,337
Inventories	52,487	40,728
Prepaid Item	8,655	9,580
Advances to other funds	2,786	-
Cash and investments, restricted-deposits	562,998	572,452
Total assets	<u>\$ 308,871,439</u>	<u>\$ 295,043,202</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 7,710,296	\$ 8,274,441
Unearned revenue	-	4,500
Deposits	562,998	572,452
Total liabilities	<u>8,273,294</u>	<u>8,851,393</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>160,323,751</u>	<u>163,591,754</u>
<b>FUND BALANCE</b>		
Nonspendable	61,142	50,308
Restricted	30,826,552	36,142,674
Committed	71,391,899	63,282,510
Assigned	20,834,010	2,607,486
Unassigned	17,160,791	20,517,077
Total fund balance	<u>140,274,394</u>	<u>122,600,055</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 308,871,439</u>	<u>\$ 295,043,202</u>

**General Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023		Variance Positive (Negative)	2022
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 181,075,616	\$ 186,873,868	\$ 5,798,252	\$ 181,264,617
Local option sales tax	67,669,664	69,967,844	2,298,180	66,386,688
Other taxes and licenses	4,019,850	4,500,236	480,386	5,137,873
Intergovernmental	44,095,683	38,696,834	(5,398,849)	39,168,098
Permits and fees	6,200,813	5,672,591	(528,222)	7,408,503
Sales and services	6,762,959	6,196,783	(566,176)	9,003,258
Investment earnings	554,149	5,531,293	4,977,144	(1,070,217)
Miscellaneous	7,616,591	9,277,037	1,660,446	6,863,134
<i>Total revenues</i>	<u>317,995,325</u>	<u>326,716,486</u>	<u>8,721,161</u>	<u>314,161,954</u>
<b>EXPENDITURES</b>				
General Government				
Board of Commissioners	566,261	513,734	52,527	511,128
Budget	601,005	576,255	24,750	558,437
Central Administration	1,192,217	1,093,838	98,379	947,724
Legal	954,619	941,483	13,136	826,601
Human Resources	1,871,113	1,451,318	419,795	1,356,559
Finance	1,272,677	1,191,926	80,751	1,097,534
Tax Administration	6,525,515	5,843,198	682,317	5,830,551
Court Facilities	469,473	296,869	172,604	777,793
Board of Elections	1,841,972	1,804,903	37,069	1,637,919
Register of Deeds	1,420,694	1,302,217	118,477	1,337,141
Information Technology	4,841,883	3,204,247	1,637,636	3,707,978
G.I.S. Department	352,618	447,350	(94,732)	323,784
Procurement	644,874	555,631	89,243	460,878
Public Communications	1,188,544	917,948	270,596	978,768
Fleet Management	1,278,091	1,174,965	103,126	926,385
Property Management	8,068,823	7,543,045	525,778	6,689,854
Nondepartmental	1,944,252	5,082,353	(3,138,101)	1,667,031
<i>Total General Government</i>	<u>35,034,631</u>	<u>33,941,280</u>	<u>1,093,351</u>	<u>29,636,065</u>
Public Safety				
Law Enforcement	48,102,180	45,207,837	2,894,343	39,123,065
911 Communications	5,346,039	4,954,528	391,511	4,576,675
Emergency Management	462,105	452,156	9,949	423,412
Fire Marshal's Office	1,097,316	1,066,016	31,300	1,063,816
Building Code Enforcement	4,523,201	4,368,394	154,807	3,408,606
Other Public Safety Outside Agencies				
Medical Examiner	120,000	95,330	24,670	80,285
Emergency Medical Services	9,090,875	9,069,224	21,651	7,571,770
Juvenile Detention	394,959	521,677	(126,718)	279,278
<i>Total Public Safety</i>	<u>69,136,675</u>	<u>65,735,162</u>	<u>3,401,513</u>	<u>56,526,907</u>

Continued on next page

**General Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023			2022
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>Economic and Physical Development</b>				
Planning	\$ 776,700	\$ 687,502	\$ 89,198	\$ 592,117
Cooperative Extension Service	1,742,404	1,571,345	171,059	1,231,771
Soil and Water Conservation	711,675	411,829	299,846	347,356
Other Economic and Physical Dev. Outside Agencies				
Economic Development	2,806,660	1,965,121	841,539	2,152,168
Forest Resources	103,062	94,146	8,916	82,012
<i>Total Economic and Physical     Development</i>	<u>6,140,501</u>	<u>4,729,943</u>	<u>1,410,558</u>	<u>4,405,424</u>
<b>Human Services</b>				
Human Services Administration	5,503,150	5,182,389	320,761	4,949,656
Public Health	12,178,436	11,554,780	623,656	10,751,689
Social Services	29,288,992	25,004,275	4,284,717	23,991,055
Community Support & Outreach	4,024,600	3,744,951	279,649	3,618,202
Transportation	3,531,187	2,475,148	1,056,039	1,898,752
Veterans' Services	561,417	519,791	41,626	471,649
Other Human Services Outside Agencies				
Arc of Union County	20,000	20,000	-	-
Bridge to Recovery	25,000	25,000	-	25,000
Community Action	69,263	69,263	-	69,263
Mental Health	714,850	714,850	-	714,850
Community Shelter	30,000	30,000	-	25,000
Council of Aging	505,295	705,486	(200,191)	494,923
Health Quest	22,784	22,784	-	22,784
Crisis Assistance	10,000	10,000	-	-
DJJDP - Programs	479,055	475,517	3,538	1,226,701
Ground 40	25,000	25,000	-	25,000
Turning Point	50,000	50,000	-	45,576
Humane Society	25,000	31,250	(6,250)	-
New Covenant Community Development	25,000	25,000	-	-
Other Human Services	10,000	10,000	-	10,000
<i>Total Human Services</i>	<u>57,099,029</u>	<u>50,695,484</u>	<u>6,403,545</u>	<u>48,340,100</u>
<b>Cultural and Recreational</b>				
Library	5,657,420	5,434,032	223,388	5,100,732
Parks and Recreation	2,659,685	2,400,960	258,725	2,283,936
Other Cultural and Recreational Outside Agencies				
Arts Council	52,018	52,018	-	52,018
Historical Properties	14,500	14,500	-	30,483
A.J. Historical Foundation	4,100	4,100	-	4,100
<i>Total Cultural and Recreational</i>	<u>8,387,723</u>	<u>7,905,610</u>	<u>482,113</u>	<u>7,471,269</u>
<b>Education</b>				
Public Schools - current expense	116,450,157	116,450,157	-	111,552,371
Community College - operations	3,231,467	3,231,467	-	3,076,709
<i>Total Education</i>	<u>119,681,624</u>	<u>119,681,624</u>	<u>-</u>	<u>114,629,080</u>

Continued on next page

**General Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
For the Year Ended June 30, 2023  
With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023		Variance Positive (Negative)	2022
	Final Budget	Actual		Actual
Debt Service				
Principal - leases	-	335,600	(335,600)	176,662
Principal - subscriptions	-	921,459	(921,459)	-
Interest - leases	-	5,873	(5,873)	4,583
Interest - subscriptions	-	42,921	(42,921)	-
<i>Total Debt Service</i>	-	1,305,853	(1,305,853)	181,245
Total expenditures	295,480,183	283,994,956	11,485,227	261,190,090
Revenues over (under) expenditures	22,515,142	42,721,530	20,206,388	52,971,864
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	21,756,838	17,786,479	(3,970,359)	1,468,052
Transfers to other funds	(50,788,626)	(47,218,267)	3,570,359	(38,516,735)
Transfers to Water and Sewer Capital Fund	(400,000)	-	400,000	-
Issuance of lease liability	-	1,379,623	1,379,623	618,766
Issuance of subscription liability	-	3,004,974	3,004,974	-
Proceeds from land for resale	-	-	-	350,000
Total other financing sources (uses)	(29,431,788)	(25,047,191)	4,384,597	(36,079,917)
Revenues and other financing sources over (under) expenditures and other financing uses	(6,916,646)	17,674,339	24,590,985	16,891,947
<b>APPROPRIATED FUND BALANCE</b>	6,916,646	-	(6,916,646)	-
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	\$ -	17,674,339	\$ 17,674,339	16,891,947
<b>FUND BALANCE</b>				
Beginning		122,600,055		108,788,608
Prior period restatement				(3,080,500)
Ending		\$ 140,274,394		\$ 122,600,055

**Debt Service Budgetary Fund**  
**Comparative Balance Sheet**  
 June 30, 2023 and 2022

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
<b>ASSETS</b>		
Cash and investments	\$ 10,044,439	\$ 4,473,830
Property taxes receivable, net	143,935	96,863
Accounts receivable, net	783,185	1,061,099
Cash and investments, restricted	<u>9,866,334</u>	<u>52,162</u>
Total assets	<u>\$ 20,837,893</u>	<u>\$ 5,683,954</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
Accounts payable and accrued liabilities	\$ -	\$ 132
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>154,366</u>	<u>108,469</u>
<b>FUND BALANCE</b>		
Restricted	867,686	1,061,099
Assigned	1,304,050	5,663,233
Unassigned	<u>18,511,791</u>	<u>(1,148,979)</u>
Total fund balance	<u>20,683,527</u>	<u>5,575,353</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 20,837,893</u>	<u>\$ 5,683,954</u>

**Debt Service Budgetary Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023		Variance Positive (Negative)	2022
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 38,170,545	\$ 39,354,531	\$ 1,183,986	\$ 35,484,660
Intergovernmental	3,350,000	2,888,313	(461,687)	3,020,098
Investment earnings	91,341	426,648	335,307	(73,992)
Total revenues	41,611,886	42,669,492	1,057,606	38,430,766
<b>EXPENDITURES</b>				
Tax Administration	103,849	119,419	(15,570)	94,162
Court Facilities	500	-	500	-
Board of Elections	750	366	384	-
Property Management	-	1,300	(1,300)	-
Law Enforcement	500	500	-	-
911 Communications	500	103	397	-
Cooperative Extension Service	160	-	160	-
Library	590	499	91	-
Public Schools - other costs	936,582	915,499	21,083	-
Community College	640	500	140	-
Principal bond retirement	35,586,000	35,586,000	-	34,881,247
Interest and fees-bonds	-	-	-	12,502,006
Interest on long term debt	11,323,879	11,133,317	190,562	-
Total expenditures	47,953,950	47,757,503	196,447	47,477,415
Revenues over (under) expenditures	(6,342,064)	(5,088,011)	1,254,053	(9,046,649)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	-	10,000,000	10,000,000	-
Issuance of general obligation bonds, premiums	526,608	10,043,962	9,517,354	190,830
Issuance of refunding installment financing	23,210,000	23,210,000	-	-
Issuance of refunding installment, premium	2,898,446	2,898,446	-	-
Payments to refunded installment financing escrow agents	(25,956,223)	(25,956,223)	-	-
Total other financing sources (uses)	678,831	20,196,185	19,517,354	190,830
Revenues and other financing sources over (under) expenditures and other financing uses	(5,663,233)	15,108,174	20,771,407	(8,855,819)
<b>APPROPRIATED FUND BALANCE</b>	5,663,233	-	(5,663,233)	-
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	\$ -	15,108,174	\$ 15,108,174	(8,855,819)
<b>FUND BALANCE</b>				
Beginning		5,575,353		14,431,172
Ending		\$ 20,683,527		\$ 5,575,353



**Economic Development Budgetary Fund**

**Comparative Balance Sheet**

June 30, 2023 and 2022

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
<b>ASSETS</b>		
Cash and investments	\$ 271,894	\$ 733,913
Accounts receivable, net	372	393
Cash and investments, restricted	<u>6,450,377</u>	<u>6,161,665</u>
Total assets	<u>\$ 6,722,643</u>	<u>\$ 6,895,971</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>		
<b>FUND BALANCE</b>		
Restricted	\$ 372	\$ 393
Assigned	31,816	-
Unassigned	<u>6,690,455</u>	<u>6,895,578</u>
Total fund balance	<u>6,722,643</u>	<u>6,895,971</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 6,722,643</u>	<u>\$ 6,895,971</u>

**Economic Development Budgetary Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023		Variance Positive (Negative)	2022
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 1,484,984	\$ 1,498,034	\$ 13,050	\$ 1,627,537
Investment earnings	8,254	311,192	302,938	7,654
Miscellaneous	-	-	-	551,000
Total revenues	<u>1,493,238</u>	<u>1,809,226</u>	<u>315,988</u>	<u>2,186,191</u>
<b>EXPENDITURES</b>				
Economic Development	32,547	4,800	27,747	25,158
Principal bond retirement	1,083,000	1,083,000	-	1,628,755
Interest and fees-bonds	-	-	-	516,258
Interest on long term debt	494,754	494,754	-	-
Total expenditures	<u>1,610,301</u>	<u>1,582,554</u>	<u>27,747</u>	<u>2,170,171</u>
Revenues over (under) expenditures	<u>(117,063)</u>	<u>226,672</u>	<u>343,735</u>	<u>16,020</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds	<u>(400,000)</u>	<u>(400,000)</u>	-	-
Total other financing sources (uses)	<u>(400,000)</u>	<u>(400,000)</u>	-	-
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(517,063)</u>	<u>(173,328)</u>	<u>343,735</u>	<u>16,020</u>
<b>APPROPRIATED FUND BALANCE</b>				
	<u>517,063</u>	<u>-</u>	<u>(517,063)</u>	<u>-</u>
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>	<u>(173,328)</u>	<u>\$ (173,328)</u>	<u>16,020</u>
<b>FUND BALANCE</b>				
Beginning		<u>6,895,971</u>		<u>6,879,951</u>
Ending		<u>\$ 6,722,643</u>		<u>\$ 6,895,971</u>

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# Special Revenue Funds

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Special Revenue Funds account for specific revenues that are legally restricted to expenditure for particular purposes.

**Allens Crossroad Fire District Fund** - This fund accounts for the ad valorem tax levies of this fire district in Union County.

**Bakers Fire District Fund** - This fund accounts for the ad valorem tax levies of this fire district in Union County.

**Beaver Lane Fire District Fund** - This fund accounts for the ad valorem tax levies of this fire district in Union County.

**Fairview Fire District Fund** - This fund accounts for the ad valorem tax levies of this fire district in Union County.

**Griffith Road Fire District Fund** - This fund accounts for the ad valorem tax levies of this fire district in Union County.

**Hemby Bridge Fire District Fund** - This fund accounts for the ad valorem tax levies of this fire district in Union County.

**Jackson Fire District Fund** - This fund accounts for the ad valorem tax levies of this fire district in Union County.

**Lanes Creek Fire District Fund** - This fund accounts for the ad valorem tax levies of this fire district in Union County.

**New Salem Fire District Fund** - This fund accounts for the ad valorem tax levies of this fire district in Union County.

**Providence Fire District Fund** - This fund accounts for the ad valorem tax levies of this fire district in Union County.

**Sandy Ridge Fire District Fund** - This fund accounts for the ad valorem tax levies of this fire district in Union County.

**Springs Fire District Fund** - This fund accounts for the ad valorem tax levies of this fire district in Union County.

**Stack Road Fire District Fund** - This fund accounts for the ad valorem tax levies of this fire district in Union County.

**Stallings Fire District Fund** - This fund accounts for the ad valorem tax levies of this fire district in Union County.

**Unionville Fire District Fund** - This fund accounts for the ad valorem tax levies of this fire district in Union County.

**Waxhaw Fire District Fund** - This fund accounts for the ad valorem tax levies of this fire district in Union County.

**Wesley Chapel Fire District Fund** - This fund accounts for the ad valorem tax levies of this fire district in Union County.

**Wingate Fire District Fund** - This fund accounts for the ad valorem tax levies of this fire district in Union County.

**Fee Supported Fire Districts Fund** - This fund accounts for the fees levied in these fire districts in Union County.

**Emergency Telephone System Fund** - This fund accounts for the user fees charged to support the emergency telephone system.

**DSS Representative Payee Fund** - This fund accounts for monies held by the Department of Social Services for the benefit of certain individuals.

**Opioid Settlement Fund** - This multi-year fund accounts for opioid settlement funds from a national settlement agreement that must be used to combat the opioid crisis.

**Automation Enhancement Fund** - This fund accounts for ten percent (10%) of the fees collected, by the County's Register of Deeds, pursuant to G.S. 161-10 and retained by the county, or three dollars and twenty cents (\$3.20) in the case of a fee collected pursuant to G.S. 161-10(a)(1a) for the first page of a deed trust or mortgage, which is set aside annually and placed in a nonreverting Automation Enhancement (and Preservation) Fund, the proceeds of which shall be expended on computer or imaging technology and needs associated with the preservation and storage of public records in the office of the register of deeds.

**Fines and Forfeitures Fund** - This fund accounts for fines and forfeitures collected by the County that are required to be remitted to the Union County Public Schools Board of Education.

**Union County Sheriff's Office Civil Fees Fund** - This fund accounts for monies held by the Union County Sheriff's Office for court costs related to civil cases, estates or special proceedings. The Sheriff is authorized to distribute payment of monies collected upon execution.

**General Special Revenue Fund** - This multi-year fund accounts for multi-year special revenues.

**Allens Crossroad Fire District Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023		2022	
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 161,158	\$ 171,722	\$ 10,564	\$ 164,772
Local option sales tax	42,000	48,581	6,581	41,882
Investment earnings	-	17	17	-
Total revenues	<u>203,158</u>	<u>220,320</u>	<u>17,162</u>	<u>206,654</u>
<b>EXPENDITURES</b>				
Public safety	<u>343,264</u>	<u>342,987</u>	<u>277</u>	<u>317,788</u>
Total expenditures	<u>343,264</u>	<u>342,987</u>	<u>277</u>	<u>317,788</u>
Revenues over (under) expenditures	(140,106)	(122,667)	17,439	(111,134)
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	<u>137,306</u>	<u>137,306</u>	<u>-</u>	<u>127,288</u>
Total other financing sources (uses)	<u>137,306</u>	<u>137,306</u>	<u>-</u>	<u>127,288</u>
<b>APPROPRIATED FUND BALANCE</b>				
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>14,639</u>	<u>\$ 14,639</u>	<u>16,154</u>
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>22,921</u>		<u>6,767</u>
End of year - June 30		<u>\$ 37,560</u>		<u>\$ 22,921</u>

**Bakers Fire District Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023		Variance Positive (Negative)	2022
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 764,583	\$ 786,796	\$ 22,213	\$ 739,153
Local option sales tax	240,000	223,861	(16,139)	236,970
Investment earnings	-	112	112	9
Total revenues	<u>1,004,583</u>	<u>1,010,769</u>	<u>6,186</u>	<u>976,132</u>
<b>EXPENDITURES</b>				
Public safety	1,851,809	1,851,419	390	1,402,894
Total expenditures	<u>1,851,809</u>	<u>1,851,419</u>	<u>390</u>	<u>1,402,894</u>
Revenues over (under) expenditures	(847,226)	(840,650)	6,576	(426,762)
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	740,724	740,724	-	561,250
Total other financing sources (uses)	<u>740,724</u>	<u>740,724</u>	<u>-</u>	<u>561,250</u>
<b>APPROPRIATED FUND BALANCE</b>	<u>106,502</u>	<u>-</u>	<u>(106,502)</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>(99,926)</u>	<u>\$ (99,926)</u>	<u>134,488</u>
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>240,990</u>		<u>106,502</u>
End of year - June 30		<u>\$ 141,064</u>		<u>\$ 240,990</u>

**Beaver Lane Fire District Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023		Variance Positive (Negative)	2022
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 414,550	\$ 451,203	\$ 36,653	\$ 400,025
Local option sales tax	110,000	120,161	10,161	115,562
Investment earnings	-	52	52	6
Total revenues	<u>524,550</u>	<u>571,416</u>	<u>46,866</u>	<u>515,593</u>
<b>EXPENDITURES</b>				
Public safety	945,450	945,048	402	817,424
Total expenditures	<u>945,450</u>	<u>945,048</u>	<u>402</u>	<u>817,424</u>
Revenues over (under) expenditures	(420,900)	(373,632)	47,268	(301,831)
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	380,900	380,900	-	343,813
Total other financing sources (uses)	<u>380,900</u>	<u>380,900</u>	<u>-</u>	<u>343,813</u>
<b>APPROPRIATED FUND BALANCE</b>				
	40,000	-	(40,000)	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	7,268	<u>\$ 7,268</u>	41,982
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>82,570</u>		<u>40,588</u>
End of year - June 30		<u>\$ 89,838</u>		<u>\$ 82,570</u>

**Fairview Fire District Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023		Variance Positive (Negative)	2022
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 365,649	\$ 376,146	\$ 10,497	\$ 370,172
Local option sales tax	75,000	44,399	(30,601)	79,277
Investment earnings	-	50	50	3
Total revenues	<u>440,649</u>	<u>420,595</u>	<u>(20,054)</u>	<u>449,452</u>
<b>EXPENDITURES</b>				
Public safety	<u>818,749</u>	<u>818,091</u>	658	<u>709,893</u>
Total expenditures	<u>818,749</u>	<u>818,091</u>	658	<u>709,893</u>
Revenues over (under) expenditures	(378,100)	(397,496)	(19,396)	(260,441)
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	<u>327,100</u>	<u>327,100</u>	-	<u>283,836</u>
Total other financing sources (uses)	<u>327,100</u>	<u>327,100</u>	-	<u>283,836</u>
<b>APPROPRIATED FUND BALANCE</b>	<u>51,000</u>	-	(51,000)	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	(70,396)	<u>\$ (70,396)</u>	23,395
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>83,876</u>		<u>60,481</u>
End of year - June 30		<u>\$ 13,480</u>		<u>\$ 83,876</u>



**Griffith Road Fire District Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023			2022
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 38,200	\$ 40,059	\$ 1,859	\$ 43,284
Local option sales tax	18,000	13,659	(4,341)	18,691
Investment earnings	-	6	6	-
Total revenues	<u>56,200</u>	<u>53,724</u>	<u>(2,476)</u>	<u>61,975</u>
<b>EXPENDITURES</b>				
Public safety	<u>117,894</u>	<u>114,692</u>	<u>3,202</u>	<u>113,266</u>
Total expenditures	<u>117,894</u>	<u>114,692</u>	<u>3,202</u>	<u>113,266</u>
Revenues over (under) expenditures	(61,694)	(60,968)	726	(51,291)
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	<u>61,694</u>	<u>61,694</u>	-	<u>58,099</u>
Total other financing sources (uses)	<u>61,694</u>	<u>61,694</u>	-	<u>58,099</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	726	<u>\$ 726</u>	6,808
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>14,582</u>		<u>7,774</u>
End of year - June 30		<u>\$ 15,308</u>		<u>\$ 14,582</u>

**Hemby Bridge Fire District Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023		Variance Positive (Negative)	2022
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 1,819,070	\$ 1,850,004	\$ 30,934	\$ 1,783,735
Local option sales tax	445,000	531,768	86,768	438,330
Investment earnings	-	273	273	21
Total revenues	<u>2,264,070</u>	<u>2,382,045</u>	<u>117,975</u>	<u>2,222,086</u>
<b>EXPENDITURES</b>				
Public safety	<u>2,942,587</u>	<u>2,942,315</u>	<u>272</u>	<u>2,640,086</u>
Total expenditures	<u>2,942,587</u>	<u>2,942,315</u>	<u>272</u>	<u>2,640,086</u>
Revenues over (under) expenditures	(678,517)	(560,270)	118,247	(418,000)
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	<u>588,517</u>	<u>588,517</u>	-	<u>528,032</u>
Total other financing sources (uses)	<u>588,517</u>	<u>588,517</u>	-	<u>528,032</u>
<b>APPROPRIATED FUND BALANCE</b>				
	<u>90,000</u>	-	(90,000)	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>28,247</u>	<u>\$ 28,247</u>	<u>110,032</u>
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>258,717</u>		<u>148,685</u>
End of year - June 30		<u>\$ 286,964</u>		<u>\$ 258,717</u>

**Jackson Fire District Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023		Variance Positive (Negative)	2022
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 187,304	\$ 191,031	\$ 3,727	\$ 134,339
Local option sales tax	36,000	40,380	4,380	37,290
Investment earnings	-	20	20	-
Total revenues	<u>223,304</u>	<u>231,431</u>	<u>8,127</u>	<u>171,629</u>
<b>EXPENDITURES</b>				
Public safety	<u>384,674</u>	<u>384,536</u>	<u>138</u>	<u>266,890</u>
Total expenditures	<u>384,674</u>	<u>384,536</u>	<u>138</u>	<u>266,890</u>
Revenues over (under) expenditures	(161,370)	(153,105)	8,265	(95,261)
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	<u>153,870</u>	<u>153,870</u>	<u>-</u>	<u>106,852</u>
Total other financing sources (uses)	<u>153,870</u>	<u>153,870</u>	<u>-</u>	<u>106,852</u>
<b>APPROPRIATED FUND BALANCE</b>				
	<u>7,500</u>	<u>-</u>	<u>(7,500)</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>765</u>	<u>\$ 765</u>	<u>11,591</u>
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>22,065</u>		<u>10,474</u>
End of year - June 30		<u>\$ 22,830</u>		<u>\$ 22,065</u>

**Lanes Creek Fire District Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023		Variance Positive (Negative)	2022
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 142,790	\$ 153,886	\$ 11,096	\$ 148,026
Local option sales tax	45,000	39,839	(5,161)	43,830
Investment earnings	-	25	25	1
Total revenues	<u>187,790</u>	<u>193,750</u>	<u>5,960</u>	<u>191,857</u>
<b>EXPENDITURES</b>				
Public safety	<u>329,650</u>	<u>329,447</u>	<u>203</u>	<u>305,857</u>
Total expenditures	<u>329,650</u>	<u>329,447</u>	<u>203</u>	<u>305,857</u>
Revenues over (under) expenditures	(141,860)	(135,697)	6,163	(114,000)
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	<u>131,860</u>	<u>131,860</u>	<u>-</u>	<u>122,441</u>
Total other financing sources (uses)	<u>131,860</u>	<u>131,860</u>	<u>-</u>	<u>122,441</u>
<b>APPROPRIATED FUND BALANCE</b>	<u>10,000</u>	<u>-</u>	<u>(10,000)</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>(3,837)</u>	<u>\$ (3,837)</u>	<u>8,441</u>
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>25,755</u>		<u>17,314</u>
End of year - June 30		<u>\$ 21,918</u>		<u>\$ 25,755</u>

**New Salem Fire District Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023		Variance Positive (Negative)	2022
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 323,479	\$ 337,918	\$ 14,439	\$ 332,396
Local option sales tax	95,000	100,232	5,232	95,713
Investment earnings	-	48	48	3
Total revenues	<u>418,479</u>	<u>438,198</u>	<u>19,719</u>	<u>428,112</u>
<b>EXPENDITURES</b>				
Public safety	<u>780,798</u>	<u>780,505</u>	293	<u>654,581</u>
Total expenditures	<u>780,798</u>	<u>780,505</u>	<u>293</u>	<u>654,581</u>
Revenues over (under) expenditures	(362,319)	(342,307)	20,012	(226,469)
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	<u>312,319</u>	<u>312,319</u>	-	<u>261,921</u>
Total other financing sources (uses)	<u>312,319</u>	<u>312,319</u>	<u>-</u>	<u>261,921</u>
<b>APPROPRIATED FUND BALANCE</b>				
	<u>50,000</u>	-	(50,000)	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	(29,988)	<u>\$ (29,988)</u>	35,452
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>87,873</u>		<u>52,421</u>
End of year - June 30		<u>\$ 57,885</u>		<u>\$ 87,873</u>

**Providence Fire District Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023			2022
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 32,848	\$ 33,029	\$ 181	\$ 31,818
Local option sales tax	9,000	9,474	474	9,258
Investment earnings	-	1	1	-
Total revenues	<u>41,848</u>	<u>42,504</u>	<u>656</u>	<u>41,076</u>
<b>EXPENDITURES</b>				
Public safety	<u>86,412</u>	<u>86,346</u>	<u>66</u>	<u>69,178</u>
Total expenditures	<u>86,412</u>	<u>86,346</u>	<u>66</u>	<u>69,178</u>
Revenues over (under) expenditures	(44,564)	(43,842)	722	(28,102)
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	<u>34,565</u>	<u>34,565</u>	-	<u>68,694</u>
Total other financing sources (uses)	<u>34,565</u>	<u>34,565</u>	-	<u>68,694</u>
<b>APPROPRIATED FUND BALANCE</b>	<u>9,999</u>	-	<u>(9,999)</u>	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>(9,277)</u>	<u>\$ (9,277)</u>	<u>40,592</u>
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>33,360</u>		<u>(7,232)</u>
End of year - June 30		<u>\$ 24,083</u>		<u>\$ 33,360</u>

**Sandy Ridge Fire District Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023		Variance Positive (Negative)	2022
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 127,378	\$ 134,511	\$ 7,133	\$ 151,988
Local option sales tax	48,000	45,994	(2,006)	46,404
Investment earnings	-	29	29	1
Total revenues	<u>175,378</u>	<u>180,534</u>	<u>5,156</u>	<u>198,393</u>
<b>EXPENDITURES</b>				
Public safety	<u>317,297</u>	<u>317,094</u>	<u>203</u>	<u>311,143</u>
Total expenditures	<u>317,297</u>	<u>317,094</u>	<u>203</u>	<u>311,143</u>
Revenues over (under) expenditures	(141,919)	(136,560)	5,359	(112,750)
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	<u>126,919</u>	<u>126,919</u>	<u>-</u>	<u>124,513</u>
Total other financing sources (uses)	<u>126,919</u>	<u>126,919</u>	<u>-</u>	<u>124,513</u>
<b>APPROPRIATED FUND BALANCE</b>				
	<u>15,000</u>	<u>-</u>	<u>(15,000)</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>(9,641)</u>	<u>\$ (9,641)</u>	<u>11,763</u>
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>34,185</u>		<u>22,422</u>
End of year - June 30		<u>\$ 24,544</u>		<u>\$ 34,185</u>

**Springs Fire District Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023		Variance Positive (Negative)	2022
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 884,569	\$ 905,142	\$ 20,573	\$ 796,471
Local option sales tax	175,000	234,417	59,417	169,501
Investment earnings	-	128	128	7
Total revenues	<u>1,059,569</u>	<u>1,139,687</u>	<u>80,118</u>	<u>965,979</u>
<b>EXPENDITURES</b>				
Public safety	1,353,336	1,353,136	200	1,245,959
Total expenditures	<u>1,353,336</u>	<u>1,353,136</u>	<u>200</u>	<u>1,245,959</u>
Revenues over (under) expenditures	(293,767)	(213,449)	80,318	(279,980)
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	273,767	273,767	-	252,384
Total other financing sources (uses)	<u>273,767</u>	<u>273,767</u>	<u>-</u>	<u>252,384</u>
<b>APPROPRIATED FUND BALANCE</b>	20,000	-	(20,000)	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	60,318	<u>\$ 60,318</u>	(27,596)
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>90,654</u>		<u>118,250</u>
End of year - June 30		<u>\$ 150,972</u>		<u>\$ 90,654</u>



**Stack Road Fire District Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023		Variance Positive (Negative)	2022
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 115,420	\$ 123,106	\$ 7,686	\$ 152,742
Local option sales tax	42,000	45,493	3,493	41,249
Investment earnings	-	19	19	-
Total revenues	<u>157,420</u>	<u>168,618</u>	<u>11,198</u>	<u>193,991</u>
<b>EXPENDITURES</b>				
Public safety	<u>291,810</u>	<u>291,553</u>	<u>257</u>	<u>298,638</u>
Total expenditures	<u>291,810</u>	<u>291,553</u>	<u>257</u>	<u>298,638</u>
Revenues over (under) expenditures	(134,390)	(122,935)	11,455	(104,647)
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	<u>119,390</u>	<u>119,390</u>	<u>-</u>	<u>120,052</u>
Total other financing sources (uses)	<u>119,390</u>	<u>119,390</u>	<u>-</u>	<u>120,052</u>
<b>APPROPRIATED FUND BALANCE</b>				
	<u>15,000</u>	<u>-</u>	<u>(15,000)</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>(3,545)</u>	<u>\$ (3,545)</u>	<u>15,405</u>
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>32,361</u>		<u>16,956</u>
End of year - June 30		<u>\$ 28,816</u>		<u>\$ 32,361</u>

**Stallings Fire District Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023		Variance Positive (Negative)	2022
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 1,675,321	\$ 1,723,022	\$ 47,701	\$ 1,623,939
Local option sales tax	430,000	483,498	53,498	424,783
Investment earnings	-	204	204	17
Total revenues	<u>2,105,321</u>	<u>2,206,724</u>	<u>101,403</u>	<u>2,048,739</u>
<b>EXPENDITURES</b>				
Public safety	<u>2,681,151</u>	<u>2,679,600</u>	<u>1,551</u>	<u>2,420,023</u>
Total expenditures	<u>2,681,151</u>	<u>2,679,600</u>	<u>1,551</u>	<u>2,420,023</u>
Revenues over (under) expenditures	(575,830)	(472,876)	102,954	(371,284)
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	<u>535,830</u>	<u>535,830</u>	-	<u>483,923</u>
Total other financing sources (uses)	<u>535,830</u>	<u>535,830</u>	-	<u>483,923</u>
<b>APPROPRIATED FUND BALANCE</b>				
	<u>40,000</u>	-	(40,000)	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	62,954	<u>\$ 62,954</u>	112,639
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>207,769</u>		<u>95,130</u>
End of year - June 30		<u>\$ 270,723</u>		<u>\$ 207,769</u>

**Unionville Fire District Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023		Variance Positive (Negative)	2022
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 745,738	\$ 765,335	\$ 19,597	\$ 727,629
Local option sales tax	110,000	210,806	100,806	110,196
Investment earnings	-	126	126	9
Total revenues	<u>855,738</u>	<u>976,267</u>	<u>120,529</u>	<u>837,834</u>
<b>EXPENDITURES</b>				
Public safety	<u>1,068,923</u>	<u>1,067,123</u>	<u>1,800</u>	<u>998,047</u>
Total expenditures	<u>1,068,923</u>	<u>1,067,123</u>	<u>1,800</u>	<u>998,047</u>
Revenues over (under) expenditures	(213,185)	(90,856)	122,329	(160,213)
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	<u>213,185</u>	<u>213,185</u>	-	<u>244,419</u>
Total other financing sources (uses)	<u>213,185</u>	<u>213,185</u>	-	<u>244,419</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>122,329</u>	<u>\$ 122,329</u>	<u>84,206</u>
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>86,142</u>		<u>1,936</u>
End of year - June 30		<u>\$ 208,471</u>		<u>\$ 86,142</u>

**Waxhaw Fire District Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023		Variance Positive (Negative)	2022
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 1,628,606	\$ 1,665,639	\$ 37,033	\$ 1,533,822
Local option sales tax	450,000	459,706	9,706	441,962
Investment earnings	-	228	228	19
Total revenues	<u>2,078,606</u>	<u>2,125,573</u>	<u>46,967</u>	<u>1,975,803</u>
<b>EXPENDITURES</b>				
Public safety	<u>2,906,122</u>	<u>2,904,705</u>	<u>1,417</u>	<u>2,602,784</u>
Total expenditures	<u>2,906,122</u>	<u>2,904,705</u>	<u>1,417</u>	<u>2,602,784</u>
Revenues over (under) expenditures	(827,516)	(779,132)	48,384	(626,981)
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	<u>702,516</u>	<u>702,516</u>	-	<u>642,126</u>
Total other financing sources (uses)	<u>702,516</u>	<u>702,516</u>	-	<u>642,126</u>
<b>APPROPRIATED FUND BALANCE</b>				
	<u>125,000</u>	-	(125,000)	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	(76,616)	<u>\$ (76,616)</u>	15,145
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>278,953</u>		<u>263,808</u>
End of year - June 30		<u>\$ 202,337</u>		<u>\$ 278,953</u>

**Wesley Chapel Fire District Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023		Variance Positive (Negative)	2022
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 2,831,652	\$ 2,888,241	\$ 56,589	\$ 2,671,361
Local option sales tax	690,000	794,848	104,848	689,439
Investment earnings	-	318	318	23
Total revenues	<u>3,521,652</u>	<u>3,683,407</u>	<u>161,755</u>	<u>3,360,823</u>
<b>EXPENDITURES</b>				
Public safety	<u>4,964,648</u>	<u>4,961,590</u>	<u>3,058</u>	<u>3,973,222</u>
Total expenditures	<u>4,964,648</u>	<u>4,961,590</u>	<u>3,058</u>	<u>3,973,222</u>
Revenues over (under) expenditures	(1,442,996)	(1,278,183)	164,813	(612,399)
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	<u>1,237,996</u>	<u>1,237,996</u>	-	<u>800,413</u>
Total other financing sources (uses)	<u>1,237,996</u>	<u>1,237,996</u>	-	<u>800,413</u>
<b>APPROPRIATED FUND BALANCE</b>	<u>205,000</u>	-	(205,000)	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	(40,187)	<u>\$ (40,187)</u>	188,014
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>448,481</u>		<u>260,467</u>
End of year - June 30		<u>\$ 408,294</u>		<u>\$ 448,481</u>

**Wingate Fire District Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023		Variance Positive (Negative)	2022
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Ad valorem taxes	\$ 402,139	\$ 422,658	\$ 20,519	\$ 400,953
Local option sales tax	100,000	119,586	19,586	98,725
Investment earnings	-	66	66	6
Total revenues	<u>502,139</u>	<u>542,310</u>	<u>40,171</u>	<u>499,684</u>
<b>EXPENDITURES</b>				
Public safety	<u>904,898</u>	<u>904,179</u>	719	<u>780,688</u>
Total expenditures	<u>904,898</u>	<u>904,179</u>	<u>719</u>	<u>780,688</u>
Revenues over (under) expenditures	(402,759)	(361,869)	40,890	(281,004)
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	<u>367,759</u>	<u>367,759</u>	-	<u>318,598</u>
Total other financing sources (uses)	<u>367,759</u>	<u>367,759</u>	<u>-</u>	<u>318,598</u>
<b>APPROPRIATED FUND BALANCE</b>	<u>35,000</u>	<u>-</u>	<u>(35,000)</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>5,890</u>	<u>\$ 5,890</u>	<u>37,594</u>
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>75,949</u>		<u>38,355</u>
End of year - June 30		<u>\$ 81,839</u>		<u>\$ 75,949</u>

**Fee Supported Fire Districts Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023		2022	
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Permits and fees	\$ -	\$ 8,885	\$ 8,885	\$ 18,584
Total revenues	-	8,885	8,885	18,584
Revenues and appropriated fund balance over (under) expenditures	\$ -	8,885	\$ 8,885	18,584
<b>FUND BALANCE</b>				
Beginning of year - July 1		93,199		74,615
End of year - June 30		\$ 102,084		\$ 93,199

**Emergency Telephone System Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023		2022	
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Other taxes and licenses	\$ 330,299	\$ 330,299	\$ -	\$ 754,071
Intergovernmental	179,957	-	(179,957)	304,957
Investment earnings	-	27,440	27,440	6,282
Total revenues	<u>510,256</u>	<u>357,739</u>	<u>(152,517)</u>	<u>1,065,310</u>
<b>EXPENDITURES</b>				
Principal - leases	-	446	(446)	-
Interest - leases	-	7	(7)	-
Hardware maintenance	1,023,002	670,753	352,249	345,846
Implemental functions	71,521	41,669	29,852	84,451
Software maintenance	273,634	249,864	23,770	264,402
Telephone	101,016	38,914	62,102	310,336
Training	12,194	13,265	(1,071)	11,432
Total expenditures	<u>1,481,367</u>	<u>1,014,918</u>	<u>466,449</u>	<u>1,016,467</u>
Revenues over (under) expenditures	(971,111)	(657,179)	313,932	48,843
<b>OTHER FINANCING SOURCES</b>				
Transfers from other funds	-	61,518	61,518	70,500
Total other financing sources (uses)	<u>-</u>	<u>61,518</u>	<u>61,518</u>	<u>70,500</u>
<b>APPROPRIATED FUND BALANCE</b>				
	<u>971,111</u>	<u>-</u>	<u>(971,111)</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>(595,661)</u>	<u>\$ (595,661)</u>	<u>119,343</u>
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>2,511,493</u>		<u>2,392,150</u>
End of year - June 30		<u>\$ 1,915,832</u>		<u>\$ 2,511,493</u>



**DSS Representative Payee Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023		Variance Positive (Negative)	2022
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Miscellaneous	\$ 545,000	\$ 607,270	\$ 62,270	\$ 514,757
Total revenues	<u>545,000</u>	<u>607,270</u>	<u>62,270</u>	<u>514,757</u>
<b>EXPENDITURES</b>				
Human services	545,000	529,297	15,703	461,039
Total expenditures	<u>545,000</u>	<u>529,297</u>	<u>15,703</u>	<u>461,039</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>77,973</u>	<u>\$ 77,973</u>	<u>53,718</u>
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>94,415</u>		<u>40,697</u>
End of year - June 30		<u>\$ 172,388</u>		<u>\$ 94,415</u>

**Opioid Settlement Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	Project Authorization	Prior Years	Actual	Total To Date	Variance Positive (Negative)
<b>REVENUES</b>					
Investment earnings	\$ -	\$ -	\$ 15,546	\$ 15,546	\$ 15,546
Miscellaneous	362,904	362,904	861,692	1,224,596	861,692
Total revenues	<u>362,904</u>	<u>362,904</u>	<u>877,238</u>	<u>1,240,142</u>	<u>877,238</u>
<b>EXPENDITURES</b>					
Opioid Abuse Mitigation	362,904	-	-	-	362,904
Total expenditures	<u>362,904</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>362,904</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 362,904</u>	877,238	<u>\$ 1,240,142</u>	<u>\$ 1,240,142</u>
<b>FUND BALANCE</b>					
Beginning of year - July 1			<u>362,904</u>		
End of year - June 30			<u>\$ 1,240,142</u>		

**Automation Enhancement Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023			2022
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Permits and fees	\$ 140,000	\$ 161,874	\$ 21,874	\$ 189,026
Total revenues	<u>140,000</u>	<u>161,874</u>	<u>21,874</u>	<u>189,026</u>
<b>EXPENDITURES</b>				
General government	130,000	126,030	3,970	123,069
Total expenditures	<u>130,000</u>	<u>126,030</u>	<u>3,970</u>	<u>123,069</u>
Revenues over (under) expenditures	10,000	35,844	25,844	65,957
<b>APPROPRIATED FUND BALANCE</b>	<u>(10,000)</u>	<u>-</u>	<u>10,000</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>35,844</u>	<u>\$ 35,844</u>	<u>65,957</u>
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>385,425</u>		<u>319,468</u>
End of year - June 30		<u>\$ 421,269</u>		<u>\$ 385,425</u>

**Fines and Forfeitures Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023		Variance Positive (Negative)	2022
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Miscellaneous	\$ 1,034,618	\$ 1,034,617	\$ (1)	\$ 905,403
Total revenues	<u>1,034,618</u>	<u>1,034,617</u>	<u>(1)</u>	<u>905,403</u>
<b>EXPENDITURES</b>				
Education	1,034,618	1,034,617	1	905,403
Total expenditures	<u>1,034,618</u>	<u>1,034,617</u>	<u>1</u>	<u>905,403</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>-</u>		<u>-</u>
End of year - June 30		<u>\$ -</u>		<u>\$ -</u>

**Civil Fees Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023		2022	
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Miscellaneous	\$ 523,000	\$ 434,575	\$ (88,425)	\$ 376,475
Total revenues	<u>523,000</u>	<u>434,575</u>	<u>(88,425)</u>	<u>376,475</u>
<b>EXPENDITURES</b>				
Public safety	523,000	428,810	94,190	386,720
Total expenditures	<u>523,000</u>	<u>428,810</u>	<u>94,190</u>	<u>386,720</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>5,765</u>	<u>\$ 5,765</u>	<u>(10,245)</u>
<b>FUND BALANCE</b>				
Beginning of year - July 1		<u>3,120</u>		<u>13,365</u>
End of year - June 30		<u>\$ 8,885</u>		<u>\$ 3,120</u>

**General Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
 From Inception and for the Year Ended June 30, 2023

	Actual				Variance Positive (Negative)
	Project Authorization	Prior Years	Current Year	Total To Date	
<b>REVENUES</b>					
Intergovernmental	\$ 92,252,929	\$ 27,864,021	\$ 27,643,047	\$ 55,507,068	\$ (36,745,861)
Sales and services	339,900	340,066	27,000	367,066	27,166
Investment earnings	1,402,898	125,169	1,634,574	1,759,743	356,845
Miscellaneous	2,508,825	2,669,505	10,307	2,679,812	170,987
Total revenues	<u>96,504,552</u>	<u>30,998,761</u>	<u>29,314,928</u>	<u>60,313,689</u>	<u>(36,190,863)</u>
<b>EXPENDITURES</b>					
Capital outlay					
General Government					
American Rescue Plan	9,719,239	2,444,799	814,493	3,259,292	6,459,947
ARPA APS Essential Services	17,061	1,506	1,939	3,445	13,616
ARPA Interest Earnings	1,329,781	-	-	-	1,329,781
ARPA Lead and Asbestos	25,490	-	-	-	25,490
ARPA Library	120,545	-	-	-	120,545
ARPA Nutrition	267,733	-	149,112	149,112	118,621
ARPA School Health Team Workforce	261,457	-	261,457	261,457	-
Human Services					
Cameron's House of Hope	400,000	-	6,961	6,961	393,039
CARES Act	8,813,446	8,813,442	-	8,813,442	4
CARES Act ELC	2,502,824	1,087,250	850,541	1,937,791	565,033
CARES Act Older Americans	93,736	93,737	-	93,737	(1)
CARES Act Transportation	1,369,239	386,203	856,494	1,242,697	126,542
CDC 117 Infrastructure LWFC	568,902	-	-	-	568,902
CDC Vaccination Program	911,798	344,804	8,148	352,952	558,846
Communicable Disease Pandemic Recovery	587,964	1,860	70,958	72,818	515,146
Community Shelter State Aid	1,500,000	1,500,000	-	1,500,000	-
Coronavirus Response and Relief	273,044	-	-	-	273,044
Covid Medicaid - Child Health	130,882	44,429	50,024	94,453	36,429
Emergency Rental Assistance	17,081,086	6,351,981	6,014,045	12,366,026	4,715,060
Families First Coronavirus Response Act	117,927	117,927	-	117,927	-
NEHA-FDA Retail Flexible Module	4,994	-	3,986	3,986	1,008
Sheriff Office Equipment	300,000	-	136,062	136,062	163,938
Veterinarian Equipment	450,000	-	-	-	450,000
Supplemental 5-HDC	72,656	72,656	-	72,656	-
Public Safety					
Cert Grant Program	68,500	69,683	-	69,683	(1,183)
Controlled Substance Tax	637,994	525,899	-	525,899	112,095
EM Community Storm Resiliency Grant	25,000	23,104	-	23,104	1,896
Federal Forfeited Property	2,153,361	1,512,869	1,465	1,514,334	639,027
Firearms Range Ph II	275,385	213,265	-	213,265	62,120
Homeland Security-Catawba Nuclear	355,475	248,365	33,905	282,270	73,205
Indian Trail GHSP Grant	547,616	498,296	-	498,296	49,320
NCEM Swift Water Rescue Equipment	80,000	20,450	59,550	80,000	-
Economic and Physical Environment					
Community Development Block Grant	7,092,400	4,825,187	428,902	5,254,089	1,838,311
EDC Grant East Side Sewer Study	100,000	98,826	-	98,826	1,174
EDC Grant Marshville Gas Line	100,000	71,032	-	71,032	28,968
EDC Invest - Charlotte Publication	24,500	24,500	-	24,500	-
Walden Pond Lake	400,000	-	16,460	16,460	383,540
Total expenditures	<u>58,780,035</u>	<u>29,392,070</u>	<u>9,764,502</u>	<u>39,156,572</u>	<u>19,623,463</u>
Revenues under expenditures	<u>37,724,517</u>	<u>1,606,691</u>	<u>19,550,426</u>	<u>21,157,117</u>	<u>(16,567,400)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	157,893	169,120	-	169,120	11,227
Transfer to General Fund	(21,756,838)	-	(17,786,479)	(17,786,479)	3,970,359
Transfers to Water and Sewer Capital Fund	(16,125,572)	(651,572)	-	(651,572)	15,474,000
Total other financing sources (uses)	<u>(37,724,517)</u>	<u>(482,452)</u>	<u>(17,786,479)</u>	<u>(18,268,931)</u>	<u>19,455,586</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 1,124,239</u>	<u>1,763,947</u>	<u>\$ 2,888,186</u>	<u>\$ 2,888,186</u>
<b>FUND BALANCE</b>					
Beginning of year - July 1			<u>1,124,239</u>		
End of year - June 30		G-28	<u>\$ 2,888,186</u>		

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# Capital Project Funds

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Capital Project Funds account for the acquisition and construction of major capital facilities other than those financed by Proprietary Funds and Trust Funds.

**General Capital Project Fund** - This fund accounts for various capital improvement projects that will be financed from General Fund resources, as well as general obligation and installment financing(s).





**General Capital Project Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
From Inception and for the Year Ended June 30, 2023

	Actual				Variance Positive (Negative)
	Project Authorization	Prior Years	Current Year	Total To Date	
<b>REVENUES</b>					
Intergovernmental	\$ 540,000	\$ 600,349	\$ 513,746	\$ 1,114,095	\$ 574,095
Investment earnings	3,254,611	2,882,430	2,747,516	5,629,946	2,375,335
Miscellaneous	7,611,065	7,669,526	43,205	7,712,731	101,666
Total revenues	11,405,676	11,152,305	3,304,467	14,456,772	3,051,096
<b>EXPENDITURES</b>					
Capital outlay					
General Government					
Board of Elections Renovations	4,877,674	2,642,132	1,562,491	4,204,623	673,051
City of Monroe Donation	350,000	350,000	-	350,000	-
County Facilities Operating Capital	1,893,351	644,490	367,212	1,011,702	881,649
County Facilities Repairs	3,745,325	1,710,383	346,582	2,056,965	1,688,360
Government Center Building Envelope Repairs	1,600,000	-	650,215	650,215	949,785
Government Center Electrical Infrastructure	1,040,000	52,070	128,781	180,851	859,149
Government Center Replace Liebert Unit	40,000	-	-	-	40,000
Historic Courthouse Renovations Ph 1	1,990,503	1,839,995	6,105	1,846,100	144,403
Historic Courthouse Renovations Ph 2	1,725,000	-	-	-	1,725,000
I.T. Infrastructure	1,536,238	1,302,554	3,800	1,306,354	229,884
Judicial Center Generator Replacement	225,000	-	-	-	225,000
Judicial Center Server Room Split System	90,000	-	23,855	23,855	66,145
Phone System Upgrade	655,000	547,232	-	547,232	107,768
Pictometry Phase 2	489,048	489,048	-	489,048	-
Pictometry Phase 3	463,000	-	225,796	225,796	237,204
Progress Building Ph 1	6,803,794	5,511,006	898,328	6,409,334	394,460
Progress Building Ph 2	100,000	-	-	-	100,000
Public Records Request System	40,542	-	13,926	13,926	26,616
UPS Infrastructure Upgrades	150,000	-	12,098	12,098	137,902
UCPS Admin Building Replace Generator	121,649	-	-	-	121,649
Public Safety					
911 Center Renovations	721,790	721,789	-	721,789	1
Emergency Management Equipment	216,296	-	208,728	208,728	7,568
Emergency Services Complex	16,415,120	13,500,864	2,330,853	15,831,717	583,403
Jail Domestic Water Source	65,000	-	-	-	65,000
Jail Block Renovations	1,950,000	-	-	-	1,950,000
Jail Door Control and Lock System	2,922,193	125,250	-	125,250	2,796,943
Jail Generator Replacement	295,000	69	185	254	294,746
Jail Replace Washers and Dryers	435,000	10,150	-	10,150	424,850
Radio Backhaul	559,000	167,992	385,943	553,935	5,065
Radio Install Shop	993,455	24,905	25,946	50,851	942,604
Radio Microwave Replacement	482,774	257,118	-	257,118	225,656
Radio Replacements	4,256,254	4,256,255	-	4,256,255	(1)
Radio Towers HVAC Systems	64,000	-	-	-	64,000
Radio Towers SW Union	2,520,335	843,159	1,753	844,912	1,675,423
Sheriff's Office Crime Lab	878,637	-	226,445	226,445	652,192
Sheriff's Office Operating Capital	625,000	129,518	70,491	200,009	424,991
Sheriff's Office R&R	1,004,000	299,438	45,723	345,161	658,839
Sheriff's Office Renovations	27,430,016	24,754,083	1,990,939	26,745,022	684,994
VFD Air Packs	1,280,000	-	920,587	920,587	359,413
Fire Training Needs Short Term	1,500,000	-	-	-	1,500,000
Animal Shelter Replace UPS	30,000	-	-	-	30,000
Cultural and Recreation					
Cane Creek Park Camp Store	700,000	-	28,609	28,609	671,391
Cane Creek Park Campground R&R	375,070	209,400	131,175	340,575	34,495
Jesse Helms Park Amenities Improvements	500,000	-	-	-	500,000
Library R&R	75,000	38,584	36,416	75,000	-
Library Replace Metal Architectural Panels	857,712	-	11,040	11,040	846,672
Parks and Recreation R&R	486,254	267,460	166,316	433,776	52,478
Southwest Union Library	14,817,414	892,230	6,635,727	7,527,957	7,289,457

**General Capital Project Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
From Inception and for the Year Ended June 30, 2023

	Actual				Variance
	Project Authorization	Prior Years	Current Year	Total To Date	Positive (Negative)
<b>Economic and Physical Development</b>					
Ag Center Generator	350,000	-	-	-	350,000
EDC Barn Project	800,000	-	-	-	800,000
EDC-Industrial Park	18,212,405	18,115,315	-	18,115,315	97,090
Simpson Event Center	2,743,121	2,722,739	20,381	2,743,120	1
Simpson Event Center Support Building	882,460	-	-	-	882,460
Planning-NC DOT Projects	600,000	200,000	-	200,000	400,000
<b>Education</b>					
Design Work for Forest Hills and East Elementary	4,900,000	2,511,375	2,021,744	4,533,119	366,881
East Elementary Bond Project	38,592,589	-	-	-	38,592,589
Emergency Management Radios-Schools	1,200,000	1,200,000	-	1,200,000	-
Forest Hills Bond Project	95,812,411	-	2,461,357	2,461,357	93,351,054
Monroe High School Bond Project	4,345,385	4,338,883	6,502	4,345,385	-
Piedmont High Bond Project	1,635,856	1,563,196	72,660	1,635,856	-
Sun Valley High School Bond Project	34,419,925	34,323,933	9,280	34,333,213	86,712
Transportation Facility-Bond Project	15,244,656	14,566,441	515,178	15,081,619	163,037
UCPS Interfund Transfer	14,247	-	-	-	14,247
Western Union ES Bond Project	596,704	491,704	-	491,704	105,000
Schools Capital Outlay FY 2018 ADA	1,892,065	1,554,595	337,470	1,892,065	-
Schools Capital Outlay FY 2018 Building Systems	1,872,836	1,623,087	116,655	1,739,742	133,094
Schools Capital Outlay FY 2018 Roofing	822,841	659,269	163,571	822,840	1
Schools Capital Outlay FY 2018 Safety & Security	850,000	808,466	41,534	850,000	-
Schools Capital Outlay FY 2019 ADA	156,611	140,517	16,094	156,611	-
Schools Capital Outlay FY 2019 Building Systems	4,992,476	4,487,645	501,087	4,988,732	3,744
Schools Capital Outlay FY 2019 Roofing	1,999,320	953,980	1,020,316	1,974,296	25,024
Schools Capital Outlay FY 2019 Safety & Security	425,800	371,062	54,738	425,800	-
Schools Capital Outlay FY 2020 ADA	374,811	303,306	63,924	367,230	7,581
Schools Capital Outlay FY 2020 UCPS Building Sy	4,253,158	2,963,005	693,479	3,656,484	596,674
Schools Capital Outlay FY 2020 Exp. & Renov.	7,100,559	6,409,881	367,211	6,777,092	323,467
Schools Capital Outlay FY 2020 Roofing	200,000	-	200,000	200,000	-
Schools Capital Outlay FY 2020 Safety & Security	1,233,000	1,067,152	139,504	1,206,656	26,344
Schools Capital Outlay FY 2020 FF&E	1,285,000	1,267,321	17,679	1,285,000	-
Schools Capital Outlay FY 2020 Painting	887,838	881,263	6,575	887,838	-
Schools Capital Outlay 5YR Laptop Lease	14,015,715	10,805,440	2,942,663	13,748,103	267,612
Schools Capital Outlay FY 2020 True Up Funding	1,152,501	1,022,646	26,157	1,048,803	103,698
Schools Capital Outlay FY 2021 Roofing	1,050,000	342,081	707,919	1,050,000	-
Schools Capital Outlay FY 2021 ADA	74,960	73,039	1,922	74,961	(1)
Schools Capital Outlay FY 2021 Building Systems	6,595,500	2,260,161	2,434,832	4,694,993	1,900,507
Schools Capital Outlay FY 2021 Exp. & Renov.	5,075,514	2,655,640	1,930,285	4,585,925	489,589
Schools Capital Outlay FY 2021 Safety & Security	858,000	825,266	29,912	855,178	2,822
Schools Capital Outlay FY 2021 Classroom F&E	472,700	247,572	165,081	412,653	60,047
Schools Capital Outlay FY 2021 Vehicles & Relat	862,000	794,547	-	794,547	67,453
Schools Capital Outlay FY 2022 ADA	347,571	-	213,807	213,807	133,764
Schools Capital Outlay FY 2022 Building Systems	7,889,494	954,038	1,512,759	2,466,797	5,422,697
Schools Capital Outlay FY 2022 Exp. and Renov.	3,460,350	419,071	1,241,857	1,660,928	1,799,422
Schools Capital Outlay FY 2022 Roofing	2,100,000	60,023	458,334	518,357	1,581,643
Schools Capital Outlay FY 2022 Safety & Security	1,210,773	493,815	133,407	627,222	583,551
Schools Capital Outlay FY 2022 Classroom F&E	458,850	11,996	197,491	209,487	249,363
Schools Capital Outlay FY 2022 Veh & Equip	500,100	201,553	210,497	412,050	88,050
Schools Capital Outlay FY 2022 Band Equipment	50,000	49,095	-	49,095	905
Schools Capital Outlay FY 2023 Band Equipment	50,000	-	49,624	49,624	376
Schools Capital Outlay FY 2023 Building Systems	8,639,286	-	2,164,802	2,164,802	6,474,484
Schools Capital Outlay FY 2023 Classroom F&E	275,000	-	-	-	275,000
Schools Capital Outlay FY 2023 Exp. and Renov.	5,833,103	-	2,858,333	2,858,333	2,974,770
Schools Capital Outlay FY 2023 Painting	714,000	-	669,300	669,300	44,700
Schools Capital Outlay FY 2023 Roofing	1,870,000	-	24,643	24,643	1,845,357
Schools Capital Outlay FY 2023 Vehi & Equip	461,031	-	107,445	107,445	353,586

**General Capital Project Fund**  
**Schedule of Revenues, Expenditures and Changes**  
**in Fund Balance - Budget and Actual**  
 From Inception and for the Year Ended June 30, 2023

	Actual				
	Project Authorization	Prior Years	Current Year	Total To Date	Variance Positive (Negative)
SPCC Access Controls	2,197,780	-	293,792	293,792	1,903,988
SPCC Aseptic Training Center	11,075,100	-	203,681	203,681	10,871,419
SPCC Braswell Building HVAC	300,000	-	-	-	300,000
SPCC Building A Restrooms	238,000	-	-	-	238,000
SPCC Camera System	239,400	28,015	21,657	49,672	189,728
SPCC Campus Improvement Ph 1	641,273	-	-	-	641,273
SPCC Capital Maintenance	100,000	-	100,000	100,000	-
SPCC Center for Entrepreneurship	32,725,000	-	52,580	52,580	32,672,420
SPCC Classroom Building	24,900	24,900	-	24,900	-
SPCC HVAC and Security	100,000	-	100,000	100,000	-
SPCC Parking	345,000	-	-	-	345,000
SPCC Renovations Building A	10,740,000	548,311	2,652,564	3,200,875	7,539,125
SPCC Renovations Building B	1,800,000	66,385	8,794	75,179	1,724,821
SPCC Resurfacing of Parking Lot	467,100	-	-	-	467,100
SPCC STEM Building	19,873,539	19,873,539	-	19,873,539	-
SPCC Technology	175,000	-	175,000	175,000	-
Total expenditures	<u>504,146,058</u>	<u>206,868,442</u>	<u>47,992,142</u>	<u>254,860,584</u>	<u>249,285,474</u>
Revenues under expenditures	<u>(492,740,382)</u>	<u>(195,716,137)</u>	<u>(44,687,675)</u>	<u>(240,403,812)</u>	<u>252,336,570</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from other funds	139,155,339	105,215,000	31,110,532	136,325,532	(2,829,807)
Transfer in-Water and Sewer Fund	402,500	402,500	-	402,500	-
Transfers to other funds	(2,552,000)	(2,552,000)	-	(2,552,000)	-
Transfers to Water and Sewer Capital Fund	(3,000,000)	(3,000,000)	-	(3,000,000)	-
Issuance of general obligation bonds	348,376,299	172,144,256	134,405,000	306,549,256	(41,827,043)
Issuance of general obligation bonds, premiums	4,806,568	13,979,165	11,704,446	25,683,611	20,877,043
Issuance of refunding installment financing	5,551,676	5,551,676	-	5,551,676	-
Total other financing sources (uses)	<u>492,740,382</u>	<u>291,740,597</u>	<u>177,219,978</u>	<u>468,960,575</u>	<u>(23,779,807)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 96,024,460</u>	132,532,303	<u>\$ 228,556,763</u>	<u>\$ 228,556,763</u>
<b>FUND BALANCE</b>					
Beginning of year - July 1			96,024,460		
End of year - June 30			<u>\$ 228,556,763</u>		



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# Enterprise Funds

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Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the cost of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

**Water and Sewer Fund** - This fund accounts for the County's water and sewer operations.

**Solid Waste Fund** - This fund accounts for the County's solid waste operations.



**Water and Sewer Fund****Schedule of Revenues and Expenditures -****Budget and Actual (Non-GAAP)**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	Final Budget	Actual	Variance Positive (Negative)	2022 Actual
<b>REVENUES</b>				
Operating revenues				
Charges for services	\$ -	\$ (1,497,644)	\$ (1,497,644)	\$ 1,286,454
Miscellaneous revenue	37,125	42,068	4,943	79,465
Other operating revenue	-	3,860	3,860	173,921
Total	<u>37,125</u>	<u>(1,451,716)</u>	<u>(1,488,841)</u>	<u>1,539,840</u>
Nonoperating revenues				
Investment earnings	199,546	4,403,186	4,203,640	(716,314)
Sale of capital assets	70,000	67,174	(2,826)	19,449
Total	<u>269,546</u>	<u>4,470,360</u>	<u>4,200,814</u>	<u>(696,865)</u>
Total revenues	<u>306,671</u>	<u>3,018,644</u>	<u>2,711,973</u>	<u>842,975</u>
<b>EXPENDITURES</b>				
Administration	(24,505,381)	(19,982,920)	(4,522,461)	(18,919,728)
Water regulatory compliance	110,523	96,101	14,422	86,228
Water system operations	7,697,495	6,287,375	1,410,120	5,698,979
Water system maintenance and repairs	4,542,688	3,878,979	663,709	2,662,861
Sewer-county customers system operations	15,033,863	10,964,001	4,069,862	10,041,242
Sewer-county customers system maint & repairs	656,926	510,175	146,751	440,682
Sewer-Marshville/Monroe system operations	367,381	287,988	79,393	296,445
Sewer-Marshville/Monroe system maint & repairs	28,000	57,001	(29,001)	26,215
Sewer regulatory compliance	270,139	249,024	21,115	234,478
Revenue bonds - principal	10,875,000	10,875,000	-	4,600,000
Interest and fees	-	-	-	15,084,371
Interest on long term debt	14,867,122	14,867,121	1	-
Total expenditures	<u>29,943,756</u>	<u>28,089,845</u>	<u>1,853,911</u>	<u>20,251,773</u>
Revenues over (under) expenditures	<u>(29,637,085)</u>	<u>(25,071,201)</u>	<u>4,565,884</u>	<u>(19,408,798)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out				
Transfers out Water and Sewer Capital Project Fund	(269,546)	(269,546)	-	(746,980)
Transfers In				
Transfer in Water and Sewer District Fund	22,268,784	27,360,737	5,091,953	21,020,797
Transfer in Water Sewer District SDF CRF	-	-	-	3,276,000
Capital contributions - cash-other	-	540	540	643
Issuance of lease liability	-	78,082	78,082	-
Issuance of subscription liability	-	157,370	157,370	-
Total other financing sources (uses)	<u>21,999,238</u>	<u>27,327,183</u>	<u>5,327,945</u>	<u>23,550,460</u>
<b>APPROPRIATED FUND BALANCE</b>	<u>7,637,847</u>	<u>-</u>	<u>(7,637,847)</u>	<u>-</u>
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 2,255,982</u>	<u>\$ 2,255,982</u>	<u>\$ 4,141,662</u>

**Water and Sewer District Fund****Schedule of Revenues and Expenditures -****Budget and Actual (Non-GAAP)**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	Final Budget	Actual	Variance Positive (Negative)	2022 Actual
<b>REVENUES</b>				
Charges for services	\$ 77,273,842	\$ 75,729,569	\$ (1,544,273)	\$ 71,914,731
Other operating revenue	2,335,128	1,975,979	(359,149)	2,026,329
Total revenues	<u>79,608,970</u>	<u>77,705,548</u>	<u>(1,903,422)</u>	<u>73,941,060</u>
<b>EXPENDITURES</b>				
Operating expense	43,291,077	36,206,050	7,085,027	33,304,029
Total expenditures	<u>43,291,077</u>	<u>36,206,050</u>	<u>7,085,027</u>	<u>33,304,029</u>
Revenues over (under) expenditures	<u>36,317,893</u>	<u>41,499,498</u>	<u>5,181,605</u>	<u>40,637,031</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out Water and Sewer Capital Project Fund	(14,049,109)	(14,049,109)	-	(20,841,610)
Transfers out Water and Sewer Operating Fund	(22,268,784)	(27,360,737)	(5,091,953)	(21,020,797)
Total other financing sources (uses)	<u>(36,317,893)</u>	<u>(41,409,846)</u>	<u>(5,091,953)</u>	<u>(41,862,407)</u>
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 89,652</u>	<u>\$ 89,652</u>	<u>\$ (1,225,376)</u>



**Water and Sewer District - System Development Fees  
 Capital Reserve Fund  
 Schedule of Revenues and Expenditures -  
 Budget and Actual (Non-GAAP)**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	Final Budget	Actual	Variance Positive (Negative)	2022 Actual
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out Water and Sewer Capital Project Fund	\$ -	\$ -	\$ -	\$ (7,850,350)
Transfers out Water and Sewer Operating Fund	-	-	-	(3,276,000)
Capital contributions - system development fees	-	5,413,985	5,413,985	11,665,021
Total other financing sources (uses)	-	5,413,985	5,413,985	538,671
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	\$ -	\$ 5,413,985	\$ 5,413,985	\$ 538,671

**Water and Sewer Capital Project Fund**  
**Schedule of Revenues, Expenditures, and Changes**  
 in Fund Balance - Budget and Actual (Non-GAAP)  
 From Inception and for the Year Ended June 30, 2023

	Project Authorization	Prior Years	Actual	Total To Date	Variance Positive (Negative)
<b>REVENUES</b>					
Nonoperating revenues					
Intergovernmental	\$ 8,300,000	\$ -	\$ 4,689,006	\$ 4,689,006	\$ (3,610,994)
Investment earnings	-	289,543	2,565,627	2,855,170	2,855,170
Total revenues	8,300,000	289,543	7,254,633	7,544,176	(755,824)
<b>EXPENDITURES</b>					
Administrative Capital Outlay					
12 ML WRF Adm Building	1,700,000	105,299	1,423,452	1,528,751	171,249
CCWRF Admin Building	1,325,000	97,284	17,243	114,527	1,210,473
Master Plan Update	1,360,834	821,056	384,772	1,205,828	155,006
Op Center Expansion & Renovation	3,700,000	42,920	-	42,920	3,657,080
Op Center Storage	2,900,000	-	-	-	2,900,000
Water Capital Outlay					
762 Zone Misc Improvements	300,000	-	-	-	300,000
853 W Zone Transmission Main Ph 1	24,472,974	10,336,406	11,841,677	22,178,083	2,294,891
853 W Zone Transmission Main Ph 2	4,114,187	101,965	1,779,450	1,881,415	2,232,772
853 W Zone Transmission Main Ph 3	10,600,000	330,377	215,114	545,491	10,054,509
853 W Zone Transmission Main Ph 4	13,200,000	-	-	-	13,200,000
880 Zone Charlotte Interconnection	1,801,163	1,531,829	-	1,531,829	269,334
Advanced Metering Infrastructure	17,600,000	3,026,070	4,702,719	7,728,789	9,871,211
Basin Covers	50,000	-	-	-	50,000
Bulk Water Stations	1,000,000	-	-	-	1,000,000
Chestnut Lane Connector Water	440,000	8,300	(8,300)	-	440,000
Civil Site Improvements	200,000	-	-	-	200,000
CRWTP Fencing	429,721	417,927	200	418,127	11,594
CRWTP Reservoir Expansion	29,238,406	28,885,102	-	28,885,102	353,304
CRWTP Water Pump Upgrade	980,000	15,445	4,250	19,695	960,305
Emerald Woods Water Line	800,000	-	-	-	800,000
Galvanized Water Line Replacement	2,211,003	935,779	641,813	1,577,592	633,411
Hwy 75 Pump Station Upgrades	200,000	-	-	-	200,000
Indian Trail Additional Tank	8,900,000	-	-	-	8,900,000
Indian Trail Road Streetscape	1,100,000	-	15,000	15,000	1,085,000
Lawyers-Rocky River Road Roundabout	400,000	-	-	-	400,000
Marshville Water Tank Rehab	1,973,965	795,510	218,950	1,014,460	959,505
Misc. Water 762 Zone Main (Bypass)	969,051	73,800	-	73,800	895,251
Misc. Water Line Replacement	702,462	-	-	-	702,462
New Additional Marshville Tank	4,513,942	3,215,354	7,509	3,222,863	1,291,079
Northwest Tank Refurbishment	771,314	744,769	7,911	752,680	18,634
Presson Road Waterline	610,000	689	428,308	428,997	181,003
SCADA	1,714,852	74,272	40,156	114,428	1,600,424
SCADA Master Plan Water	7,700,000	2,178,705	422,788	2,601,493	5,098,507
Short Water Line Extensions	20,226,493	3,819,484	276,340	4,095,824	16,130,669
Stack Road Water Line	1,158,442	134,518	623,884	758,402	400,040
Stallings Road Water Line	341,558	341,558	(12,482)	329,076	12,482
Water Line Extensions	5,000,000	-	-	-	5,000,000
Water R&R Program	1,958,498	-	-	-	1,958,498
Water Treatment PFAS Study	125,000	-	73,950	73,950	51,050
Waxhaw Water Improvements	500,000	-	110,600	110,600	389,400
Worwood Acres Water Line Replacement	983,931	865,859	-	865,859	118,072
Yadkin Distribution System Improvements	2,800,000	1,112,145	1,386,511	2,498,656	301,344
Yadkin Program Management	17,045,420	11,607,680	3,247,608	14,855,288	2,190,132
Yadkin Raw Water Intake & Pump Station	161,004,237	106,042,035	48,064,542	154,106,577	6,897,660
Yadkin Water Supply	4,691,510	4,091,280	75,000	4,166,280	525,230
Yadkin Water Treatment Plant	121,721,040	79,215,320	33,085,348	112,300,668	9,420,372
Yadkin-Montgomery County Settlement	784,943	738,158	37,418	775,576	9,367
Yadkin-Stanly County Settlement	1,038,440	1,007,244	15,742	1,022,986	15,454
Sewer Capital Outlay					
12 Mile Creek Exp 7.5 to 9 MGD	33,300,461	719,345	1,327,669	2,047,014	31,253,447
12 Mile Creek I&I Abatement	2,067,000	386,731	22,243	408,974	1,658,026

**Water and Sewer Capital Project Fund**  
**Schedule of Revenues, Expenditures, and Changes**  
in Fund Balance - Budget and Actual (Non-GAAP)  
From Inception and for the Year Ended June 30, 2023

	Project Authorization	Prior Years	Actual	Total To Date	Variance Positive (Negative)
2020 MP WW Flow Monitoring	214,050	198,750	-	198,750	15,300
6 Mile Service Area Assessment	100,000	62,558	-	62,558	37,442
CCWRF Electrical Improvements	7,402,439	1,247,995	2,577,241	3,825,236	3,577,203
CCWRF Process Improvements	4,290,000	3,873,639	252,395	4,126,034	163,966
Collection System SSES & Rehab	1,411,356	375,599	-	375,599	1,035,757
Crooked Creek Interceptor Improve Ph 1	4,178,193	542,149	6,441	548,590	3,629,603
Crooked Creek Interceptor Improve Ph 2	16,657,991	835,578	236,827	1,072,405	15,585,586
Crooked Creek Interceptor Improve Ph 3	800,000	-	-	-	800,000
Crooked Creek UV Equipment	450,000	-	41,241	41,241	408,759
Deese Pump Station	662,576	619,417	3,437	622,854	39,722
EDC Industrial Park Pump Station	3,000,000	413,533	165,808	579,341	2,420,659
Forest Park Force Main Ph 2	700,000	-	-	-	700,000
Grassy Branch WRF Expansion	3,500,000	-	45,888	45,888	3,454,112
Lower Crooked Creek Site B	23,425,755	68,526	4,714,886	4,783,412	18,642,343
Lower Crooked Creek WRF	1,874,245	203,396	-	203,396	1,670,849
Old Sycamore WRF Process Improvement	1,616,000	1,557,815	-	1,557,815	58,185
Poplin Force Main Relocation	600,000	-	-	-	600,000
Poplin Road Pump Station Interim IP	18,100,000	6,650,436	9,243,006	15,893,442	2,206,558
Potter-Pleasant Plains WW	1,000,000	-	-	-	1,000,000
SCADA Master Plan Wastewater	7,700,000	2,178,713	422,788	2,601,501	5,098,499
SPCC Extension	660,000	-	-	-	660,000
Stallings-Collection System	388,200	64,200	42,000	106,200	282,000
STEG Assessment Waxhaw	1,220,000	104,851	66,485	171,336	1,048,664
STEG Asset Inventory/Assessment	4,404,302	1,087,572	649,864	1,737,436	2,666,866
Suburban Estates PS & Force Main	1,071,000	158,165	-	158,165	912,835
Tarkhill Force Main R&R	1,700,580	695,370	968,242	1,663,612	36,968
Wastewater Pump Station Improvement	3,527,314	36,499	93,902	130,401	3,396,913
Wastewater R&R Program	8,045,566	80,376	-	80,376	7,965,190
Wastewater Treatment Plant R&R	900,181	179,310	-	179,310	720,871
Waxhaw Clay Lining WW R&R	310,000	104,488	-	104,488	205,512
Waxhaw Interceptor	6,300,000	3,304,761	1,978,668	5,283,429	1,016,571
West Fork 12ML Interceptor Improvement	14,459,295	6,220,603	6,290,649	12,511,252	1,948,043
WRF Process Evaluation	541,380	463,626	2,040	465,666	75,714
<b>Total expenditures</b>	<b>663,936,270</b>	<b>295,148,140</b>	<b>138,279,193</b>	<b>433,427,333</b>	<b>230,508,937</b>
Revenues over expenditures	(655,636,270)	(294,858,597)	(131,024,560)	(425,883,157)	229,753,113
<b>OTHER FINANCING SOURCES</b>					
Transfers from General Fund	400,000	-	-	-	(400,000)
Transfer from General Capital Project Fund	3,000,000	3,000,000	-	3,000,000	-
Transfers from water and sewer operating fund	122,716,375	102,977,106	14,318,655	117,295,761	(5,420,614)
Transfer from special revenue fund	16,000,000	-	-	-	(16,000,000)
Transfer in Water Sewer District SDF CRF	13,470,166	13,488,366	-	13,488,366	18,200
Capital contributions - cash-other	2,439,550	4,095,429	479,341	4,574,770	2,135,220
Revenue bonds issuance premiums	8,765,000	20,404,154	-	20,404,154	11,639,154
Revenue bonds issuance	488,845,179	363,975,228	-	363,975,228	(124,869,951)
<b>Total other financing sources</b>	<b>655,636,270</b>	<b>507,940,283</b>	<b>14,797,996</b>	<b>522,738,279</b>	<b>(132,897,991)</b>
Revenues and other financing sources over (under) expenditures	\$ -	\$ 213,081,686	(116,226,564)	\$ 96,855,122	\$ 96,855,122

**FUND BALANCE**

Beginning of year - July 1	213,081,686
End of year - June 30	<u>\$ 96,855,122</u>

**Water and Sewer Fund****Schedule of Reconciliation of Budgetary Basis (Non-GAAP)****to Full Accrual Basis**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023	2022
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>		
Operating Fund	\$ 2,255,982	\$ 4,141,662
Water and Sewer District	89,652	(1,225,376)
Water and Sewer District SDF CRF	5,413,985	538,671
Water and Sewer Capital Project Fund	(116,226,564)	(139,921,661)
Total	(108,466,945)	(136,466,704)
<b>Reconciling items</b>		
Amortization of G.O. and revenue bond premium	1,680,794	1,680,794
Payment of debt principal	10,875,000	4,600,000
Increase (decrease) in compensated absences payable	(87,826)	(110,324)
Increase (decrease) in interest expense accrual	42,367	16,338
Increase (decrease) in inventories	331,513	(366,828)
Decrease in allowance for uncollectible accounts	(164,928)	(88,333)
Increase (decrease) in net pension asset, separation allowance	(30,502)	501,829
Increase (decrease) in net other post employment benefit liability	2,321,865	(1,201,025)
Capital Outlay	139,599,042	170,053,736
Capital contributions	6,501,850	9,873,142
Gain (loss) on investment in joint venture	(1,626,791)	(785,398)
Loss on disposal of capital asset	(567)	(8,233)
Depreciation	(20,069,358)	(19,042,826)
Increase (decrease) in pension expense	(817,614)	237,119
Amortization of revenue bond swap termination cost	(220,934)	(220,934)
Amortization of lease assets	(12,058)	-
Amortization of subscription assets	(79,186)	-
Issuance of lease liability	(78,082)	-
Issuance of subscription liability	(157,370)	-
Right to use lease asset	78,082	-
Right to use subscription asset	157,370	-
Revenue bond arbitrage rebate liability	(91,181)	-
Total	138,151,486	165,139,057
Change in net position	\$ 29,684,541	\$ 28,672,353

**Solid Waste Fund****Schedule of Revenues and Expenditures -****Budget and Actual (Non-GAAP)**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	Final Budget	Actual	Variance Positive (Negative)	2022 Actual
<b>REVENUES</b>				
Operating Revenues				
Charges for services	\$ 9,582,987	\$ 9,457,194	\$ (125,793)	\$ 8,493,525
Disposal fees	375,600	595,019	219,419	475,431
Miscellaneous revenue	-	4,316	4,316	-
Other operating revenue	25,000	58,576	33,576	53,767
Total	<u>9,983,587</u>	<u>10,115,105</u>	<u>131,518</u>	<u>9,022,723</u>
Nonoperating Revenue				
Investment earnings	23,624	353,317	329,693	(74,429)
Intergovernmental	-	16,365	16,365	14,888
Sale of capital assets	-	-	-	154,714
Total	<u>23,624</u>	<u>369,682</u>	<u>346,058</u>	<u>95,173</u>
Total revenues	<u>10,007,211</u>	<u>10,484,787</u>	<u>477,576</u>	<u>9,117,896</u>
<b>EXPENDITURES</b>				
Personnel	2,370,062	2,312,799	57,263	2,152,841
Operating expense	7,614,829	6,872,261	742,568	6,104,390
Total expenditures	<u>9,984,891</u>	<u>9,185,060</u>	<u>799,831</u>	<u>8,257,231</u>
Revenues over (under) expenditures	<u>22,320</u>	<u>1,299,727</u>	<u>1,277,407</u>	<u>860,665</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in				
Transfers to Solid Waste Capital Project Fund	(700,000)	(700,000)	-	(550,000)
Issuance of lease liability	-	4,692	4,692	-
Total other financing sources (uses)	<u>(700,000)</u>	<u>(695,308)</u>	<u>4,692</u>	<u>(550,000)</u>
<b>APPROPRIATED FUND BALANCE</b>	<u>677,680</u>	<u>-</u>	<u>(677,680)</u>	<u>-</u>
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 604,419</u>	<u>\$ 604,419</u>	<u>\$ 310,665</u>

**Solid Waste Capital Reserve Fund**  
**Schedule of Revenues and Expenditures -**  
**Budget and Actual (Non-GAAP)**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	Final Budget		Actual		Variance Positive (Negative)		2022 Actual
TOTAL	\$ -		\$ -		\$ -		\$ -
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>		<u>\$ -</u>

**Solid Waste Capital Project Fund**  
**Schedule of Revenues, Expenditures, and Changes**  
 in Fund Balance - Budget and Actual (Non-GAAP)  
 From Inception and for the Year Ended June 30, 2023

	Project Authorization	Prior Years	Actual	Total To Date	Variance Positive (Negative)
<b>EXPENDITURES</b>					
Austin Chaney Site Redesign	\$ 2,659,300	\$ 160,553	\$ 65,575	\$ 226,128	\$ 2,433,172
C&D Cell Expansion	800,000	68,717	11,133	79,850	720,150
Landfill Access Road Widening	350,000	-	-	-	350,000
Scalehouse Renovation	350,000	-	-	-	350,000
Total expenditures	<u>4,159,300</u>	<u>229,270</u>	<u>76,708</u>	<u>305,978</u>	<u>3,853,322</u>
Revenues over expenditures	<u>(4,159,300)</u>	<u>(229,270)</u>	<u>(76,708)</u>	<u>(305,978)</u>	<u>3,853,322</u>
<b>OTHER FINANCING SOURCES</b>					
Transfers from water and sewer operating fund	4,159,300	3,459,300	700,000	4,159,300	-
Total other financing sources	<u>4,159,300</u>	<u>3,459,300</u>	<u>700,000</u>	<u>4,159,300</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 3,230,030</u>	<u>623,292</u>	<u>\$ 3,853,322</u>	<u>\$ 3,853,322</u>
<b>FUND BALANCE</b>					
Beginning of year - July 1			<u>3,230,030</u>		
End of year - June 30			<u>\$ 3,853,322</u>		

**Solid Waste Fund****Schedule of Reconciliation of Budgetary Basis (Non-GAAP)****to Full Accrual Basis**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023	2022
<b>Revenues and other financing sources over (under) expenditures and other financing uses</b>		
Operating Fund	\$ 604,419	\$ 310,665
Solid Waste Capital Fund	623,292	446,938
Total	1,227,711	757,603
<b>Reconciling items</b>		
Increase (decrease) in compensated absences payable	(12,279)	(2,961)
Decrease in allowance for uncollectible accounts	20,365	(98,010)
Increase (decrease) in net pension asset, separation allowance	83,114	36,315
Increase (decrease) in net other post employment benefit liability	158,889	(171,120)
Capital Outlay	491,830	740,221
Loss on disposal of capital asset	-	(24,202)
Depreciation	(578,483)	(521,206)
Increase in accrued landfill postclosure care costs	(591,060)	(725,161)
Increase (decrease) in pension expense	(84,667)	16,209
Amortization of lease assets	(725)	-
Issuance of lease liability	(4,692)	-
Right to use lease asset	4,692	-
Total	(513,016)	(749,915)
Change in net position	\$ 714,695	\$ 7,688



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# Internal Service Funds

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The Internal Service Funds account for the financing of goods or services provided by one department to other departments of the County on a cost-reimbursement basis.

**Health Benefits Fund** - This fund accounts for amounts from individual departments and employees to pay health benefit costs.

**Workers' Compensation Fund** - This fund accounts for amounts from individual departments to pay workers' compensation claims.

**Property and Casualty Fund** - This fund accounts for amounts from individual departments to pay property and casualty claims and premiums.



**Health Benefits Fund**  
**Schedule of Revenues and Expenditures**  
**(Non-GAAP)**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023			2022
	Final Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES</b>				
Operating revenues				
Interfund charges and employee contributions	\$ 26,002,074	\$ 25,893,229	\$ (108,845)	\$ 22,853,583
Total	26,002,074	25,893,229	(108,845)	22,853,583
Nonoperating revenues				
Investment earnings	9,705	141,994	132,289	(12,043)
Total revenues	26,011,779	26,035,223	23,444	22,841,540
<b>EXPENDITURES</b>				
Operating expenditures				
Personnel	-	402	(402)	111,472
Other operating expenditures	3,494,944	3,448,339	46,605	3,294,629
Health benefit claims and premiums	22,016,835	20,377,761	1,639,074	19,223,529
Total expenditures	25,511,779	23,826,502	1,685,277	22,629,630
Revenues over (under) expenditures	500,000	2,208,721	1,708,721	211,910
<b>TRANSFERS</b>				
Transfers from General Fund	-	-	-	3,825,300
Total transfers	-	-	-	3,825,300
<b>APPROPRIATED FUND BALANCE</b>				
	(500,000)	-	500,000	-
Revenues and appropriated fund balance over (under) expenditures	\$ -	\$ 2,208,721	\$ 2,208,721	\$ 4,037,210
<b>Reconciliation from budgetary basis (modified accrual) to full accrual basis</b>				
Revenues over expenditures		\$ 2,208,721		\$ 4,037,210
Increase (decrease) in health benefit claims payable		96,478		(142,553)
Increase (decrease) in compensated absences payable		10,779		(599)
Increase (decrease) in net pension asset, separation allowance		-		8,028
Increase (decrease) in pension expense		12,892		1,661
Increase (decrease) in net other post employment benefit liability		-		48,503
<b>Change in net position</b>		\$ 2,328,870		\$ 3,952,250

**Workers Compensation Fund**  
**Schedule of Revenues and Expenditures**  
**(Non-GAAP)**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023		Variance Positive (Negative)	2022
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Operating revenues				
Interfund charges and employee contributions	\$ 767,741	\$ 771,159	\$ 3,418	\$ 641,225
Insurance Reimbursement	-	3,217	3,217	3,165
Total	767,741	774,376	6,635	644,390
Nonoperating revenues				
Investment earnings	9,015	39,419	30,404	(7,711)
Total revenues	776,756	813,795	37,039	636,679
<b>EXPENDITURES</b>				
Operating expenditures				
Personnel	102,223	103,870	(1,647)	96,205
Other operating expenditures	568,144	237,065	331,079	188,273
Worker's compensation claims	-	299,258	(299,258)	186,655
Total expenditures	670,367	640,193	30,174	471,133
Revenues over (under) expenditures	106,389	173,602	67,213	165,546
<b>APPROPRIATED FUND BALANCE</b>				
Revenues and appropriated fund balance over (under) expenditures	(106,389)	-	106,389	-
	\$ -	\$ 173,602	\$ 173,602	\$ 165,546
<b>Reconciliation from budgetary basis (modified accrual) to full accrual basis</b>				
Revenues over expenditures		\$ 173,602		\$ 165,546
Increase (decrease) in workers' compensation claims payable		(293,231)		-
Increase (decrease) in compensated absences payable		(302)		(322)
Increase (decrease) in net pension asset, separation allowance		-		5,918
Increase (decrease) in pension expense		(4,920)		1,701
Increase (decrease) in net other post employment benefit liability		-		35,727
<b>Change in net position</b>		\$ (124,851)		\$ 208,570

**Property and Casualty Fund**  
**Schedule of Revenues and Expenditures**  
**(Non-GAAP)**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	2023		Variance Positive (Negative)	2022
	Final Budget	Actual		Actual
<b>REVENUES</b>				
Operating revenues				
Interfund charges and employee contributions	\$ 1,709,253	\$ 1,710,881	\$ 1,628	\$ 1,450,078
Miscellaneous revenue	-	1,853	1,853	12
Total	1,709,253	1,712,734	3,481	1,450,090
Nonoperating revenues				
Investment earnings	3,951	11,852	7,901	(2,559)
Total transfers	-	-	-	-
Total revenues	1,713,204	1,724,586	11,382	1,447,531
<b>EXPENDITURES</b>				
Operating expenditures				
Personnel	98,153	99,654	(1,501)	92,405
Property and casualty claims and premiums	1,365,435	1,489,732	(124,297)	1,197,129
Total expenditures	1,463,588	1,589,386	(125,798)	1,289,534
Revenues over (under) expenditures	249,616	135,200	(114,416)	157,997
<b>APPROPRIATED FUND BALANCE</b>				
	(249,616)	-	249,616	-
Revenues and appropriated fund balance over (under) expenditures	\$ -	\$ 135,200	\$ 135,200	\$ 157,997
<b>Reconciliation from budgetary basis (modified accrual) to full accrual basis</b>				
Revenues over (under) expenditures		\$ 135,200		\$ 157,997
Increase (decrease) in property and casualty claims payable		(13,570)		(307,519)
Increase (decrease) in compensated absences payable		(253)		(336)
Increase (decrease) in net pension asset, separation allowance		-		5,493
Increase (decrease) in pension expense		(4,732)		1,653
Increase (decrease) in net other post employment benefit liability		-		33,180
<b>Change in net position</b>		\$ 116,645		\$ (109,532)



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# Fiduciary Funds

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Trust Funds account for assets held by the County in a trustee capacity. Custodial Funds account for assets held by the County as an agent for individuals or other governments.

## **Pension Trust Fund**

**Special Separation Allowance Fund** - This fund accounts for the accumulation of resources for the payment of special separation benefits to qualified County employees.

**Other Postemployment Retiree Healthcare Benefits (OPEB) Fund** - This fund accounts for the accumulation of resources for the payment of retirees' healthcare benefits to qualified County employees.

## **Custodial Funds**

**Jail Inmate Fund** - This fund accounts for monies held by the Union County Sheriff's Office (Jail) for the benefit of certain individuals.

**Municipal Tax Collection Fund** - This fund accounts for the proceeds of taxes that are collected by the County on behalf of the municipalities within the County.

**Gross Rental Receipts Tax Fund** - This fund accounts for the proceeds of municipalities that levy a local tax on gross receipts derived from the short-term lease or rental of vehicles at retail to the general public, which are collected by the County on behalf of the municipalities within the County.

**Special Separation Allowance Fund**  
**Schedule of Revenues, Expenses, and Changes in**  
**Fiduciary Net Position - Pension Trust Fund**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	<u>2023</u>	<u>2022</u>
<b>ADDITIONS</b>		
Operating revenues		
Employer contributions	\$ 1,939,454	\$ 1,747,190
Net investment income	-	410
Total revenues	<u>1,939,454</u>	<u>1,747,600</u>
<b>DEDUCTIONS</b>		
Operating expenses		
Employee benefits	<u>1,499,150</u>	<u>1,398,220</u>
Revenues under expenses	440,304	349,380
<b>NET POSITION</b>		
Beginning of year-July 1	<u>4,675,440</u>	<u>4,326,060</u>
End of year-June 30	<u>\$ 5,115,744</u>	<u>\$ 4,675,440</u>



**Other Postemployment Retiree Healthcare Benefits (OPEB) Fund****Schedule of Revenues, Expenses, and Changes in****Fiduciary Net Position - Pension Trust Fund**

For the Year Ended June 30, 2023

With Comparative Actual Amounts for the Year Ended June 30, 2022

	<u>2023</u>	<u>2022</u>
<b>ADDITIONS</b>		
Operating revenues		
Employer contributions	\$ 5,777,214	\$ 8,619,384
Net investment income	<u>4,089,475</u>	<u>(6,453,703)</u>
Total revenues	<u>9,866,689</u>	<u>2,165,681</u>
<b>DEDUCTIONS</b>		
Operating expenses		
Employee benefits	<u>3,782,521</u>	<u>5,017,337</u>
Revenues under expenses	6,084,168	(2,851,656)
<b>NET POSITION</b>		
Beginning of year-July 1	<u>55,613,957</u>	<u>58,465,613</u>
End of year-June 30	<u>\$ 61,698,125</u>	<u>\$ 55,613,957</u>



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# Additional Financial Data

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This section contains additional information on property taxes.

**Schedule of Ad Valorem Taxes Receivable - General Fund**

**Analysis of Current Tax Levy - County-Wide Levy**

**Schedule of Ad Valorem Taxes Receivable - General Fund**  
June 30, 2023

Fiscal Year	Uncollected Balance June 30, 2022	Additions and Adjustments	Collections and Credits	Uncollected Balance June 30, 2023
2022-2023	\$ -	\$ 524,154	\$ 68,443	\$ 455,711
2021-2022	354,013	225,973,933	225,998,455	329,491
2020-2021	324,543	184,707	397,088	112,162
2019-2020	127,736	198,983	234,933	91,786
2018-2019	136,269	161,496	194,648	103,117
2017-2018	71,946	14,038	30,222	55,762
2016-2017	61,924	(996)	15,460	45,468
2015-2016	44,461	-	6,349	38,112
2014-2015	25,318	-	4,037	21,281
2013-2014	45,184	-	4,273	40,911
2012-2013	46,717	-	4,058	42,659
2011-2012	47,853	-	47,853	-
	<u>\$ 1,285,964</u>	<u>\$ 227,056,315</u>	<u>\$ 227,005,819</u>	<u>1,336,460</u>
Less: Allowance for uncollectible ad valorem taxes receivable				(247,214)
Ad valorem taxes receivable (net)				<u>\$ 1,089,246</u>
Reconcilement with revenues				
Taxes - ad valorem				<u>\$ 227,726,433</u>
Reconciling items				
2023-2024 tax prepayments				68,443
Write-offs per statute of limitations				47,853
Collections in advance				(108,245)
Interest, advertising cost recovery, and garnishments				(713,907)
Foreclosure fees and overpayments				(14,757)
Rounding adjustment				(1)
Total reconciling items				<u>(720,614)</u>
Total collections and credits				<u>\$ 227,005,819</u>

**Analysis of Current Tax Levy  
County-Wide Levy  
For the Year Ended June 30, 2023**

	County-wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy					
Property taxed at current year's rate	\$ 37,415,194,541	0.5880	\$ 219,998,255	\$ 203,473,190	\$ 16,525,065
Motor vehicles taxed at prior year's rate	873,136,560	0.5880	5,134,118	-	5,134,118
Motor vehicles taxed at prior year's rate	8,194,949	0.7309	59,953	-	59,953
Total	<u>38,296,526,050</u>		<u>225,192,326</u>	<u>203,473,190</u>	<u>21,719,136</u>
Discoveries					
Property taxed at current year's rate	169,155,056	0.5880	994,631	994,631	-
Total	<u>169,155,056</u>		<u>994,631</u>	<u>994,631</u>	<u>-</u>
Abatements					
Property taxed at current year's rate	36,228,670	0.5880	213,025	213,025	-
Total	<u>36,228,670</u>		<u>213,025</u>	<u>213,025</u>	<u>-</u>
Total property valuation	<u>\$ 38,429,452,436</u>				
Net levy			225,973,933	204,254,797	21,719,136
Add: Uncollected taxes at June 30, 2022			354,013	354,013	-
Less: Uncollected taxes at June 30, 2023			(329,491)	(329,491)	-
Total collections and credits for 2022-2023			<u>\$ 225,998,455</u>	<u>\$ 204,279,319</u>	<u>\$ 21,719,136</u>
Percent current year collected			100.00 %	100.00 %	100.00 %

SECONDARY MARKET DISCLOSURES

	County-wide		
	Property Valuation	Rate	Amount of Levy
Assessed valuation			
Assessment ratio	100%		
Real property	\$ 32,176,009,790		
Personal property	2,003,874,627		
Public service companies	557,932,893		
	<u>34,737,817,310</u>	0.5880	<u>\$ 204,254,797</u>
Personal property-motor vehicles	2,810,303,617	0.5880	16,525,065
Personal property-motor vehicles	873,136,560	0.5880	5,134,118
Personal property-motor vehicles	8,194,949	0.7309	59,953
	<u>3,691,635,126</u>		<u>21,719,136</u>
Total	<u>\$ 38,429,452,436</u>		<u>\$ 225,973,933</u>

In addition to the county-wide rate, the following table lists the levies by the county on behalf of fire protection districts for the fiscal year ended June 30, 2023:

Fire protection districts	\$ 11,658,760
Total	<u>\$ 11,658,760</u>

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# Statistical Section

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The information presented in this section is provided for additional analysis purposes only and has not been subjected to audit verification as presented.

**Financial Trends** – These tables contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.

Net Position by Component	Table 1
Changes in Net Position	Table 2
Fund Balances of Governmental Funds	Table 3
Changes in Fund Balances of Governmental Funds	Table 4

**Revenue Capacity** – These tables contain information to help the reader assess the government’s most significant local revenue source, the property tax

Ad Valorem Taxes	Table 5
Assessed Value of Taxable Property	Table 6
Estimated Actual Value of Taxable Property	Table 7
Property Tax Rates – Direct and Overlapping Governments	Table 8
Construction Information	Table 9
Principal Property Taxpayers	Table 10
Property Tax Levies and Collections	Table 11

**Debt Capacity** – These tables present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.

Ratios of Outstanding Debt by Type	Table 12
Ratios of General Bonded Debt Outstanding	Table 13
Legal Debt Margin Information	Table 14
Pledged Revenue Coverage per Revenue Bond Indenture – Water and Sewer Bonds	Table 15
Pledged Revenue Coverage – Water and Sewer Bonds	Table 16

**Demographic and Economic Information** – These tables offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.

Demographic and Economic Statistics	Table 17
Principal Employers	Table 18

**Operating Information** – These tables contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.

Full-time Equivalent Governmental Employees by Function/Program	Table 19
Operating Indicators by Function/Program	Table 20
Capital Asset Statistics by Function/Program	Table 21



Table 1

**Union County, North Carolina  
Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)**

	Fiscal Year									
	2014	2015	2016	2017	Restated 2018	2019	2020	2021	2022	2023
Governmental activities:										
Net investment in capital assets	\$ 44,817,727	\$ 47,600,898	\$ 50,856,584	\$ 72,437,355	\$ 86,556,007	\$ 98,903,188	\$ 14,861,530	\$ 28,905,072	\$ 50,651,906	\$ 67,197,900
Restricted	34,036,154	40,924,767	62,691,666	52,573,379	101,469,756	97,719,693	73,441,423	107,862,145	89,263,583	227,642,813
Unrestricted	(309,410,731)	(274,480,903)	(272,131,081)	(242,163,566)	(319,114,878)	(312,549,502)	(219,769,638)	(242,772,927)	(193,063,777)	(291,579,857)
Total governmental activities net position	\$ (230,556,850)	\$ (185,955,238)	\$ (158,582,831)	\$ (117,152,832)	\$ (131,089,115)	\$ (115,926,621)	\$ (131,466,685)	\$ (106,005,710)	\$ (53,148,288)	\$ 3,260,856
Business-type activities:										
Net investment in capital assets	\$ 163,571,185	\$ 170,517,222	\$ 180,438,094	\$ 205,909,308	\$ 182,818,412	\$ 142,191,339	\$ 197,711,960	\$ 210,314,809	\$ 242,855,607	\$ 254,079,819
Restricted	1,319,906	1,323,962	913,570	876,897	18,235,580	55,468,003	23,555	14,087,659	4,741,596	251,004
Unrestricted	96,864,668	93,757,609	103,696,563	98,608,352	109,741,302	131,762,175	148,377,282	140,171,753	150,575,115	174,561,233
Total business-type activities net position	\$ 261,755,759	\$ 265,598,793	\$ 285,048,227	\$ 305,394,557	\$ 310,795,294	\$ 329,421,517	\$ 346,112,797	\$ 364,574,221	\$ 398,172,318	\$ 428,892,056
Primary government:										
Net investment in capital assets	\$ 208,388,912	\$ 218,118,120	\$ 231,294,678	\$ 278,346,663	\$ 269,374,419	\$ 241,094,527	\$ 212,573,490	\$ 239,219,881	\$ 293,507,513	\$ 321,277,719
Restricted	35,356,060	42,248,729	63,605,236	53,450,276	119,705,336	153,187,696	73,464,978	121,949,804	94,005,179	227,893,817
Unrestricted	(212,546,063)	(180,723,294)	(168,434,518)	(143,555,214)	(209,373,576)	(180,787,327)	(71,392,356)	(102,304,174)	(42,488,662)	(117,018,624)
Total primary government net position	\$ 31,198,909	\$ 79,643,555	\$ 126,465,396	\$ 188,241,725	\$ 179,706,179	\$ 213,494,896	\$ 214,646,112	\$ 258,865,511	\$ 345,024,030	\$ 432,152,912



Table 2

**Union County, North Carolina  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)**

	Fiscal Year									
	Restated 2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental Activities:										
General government	\$ 12,881,769	\$ 9,816,624	\$ 17,427,812	\$ 16,134,611	\$ 15,906,013	\$ 16,065,707	\$ 25,254,536	\$ 28,995,405	\$ 35,354,835	\$ 33,886,683
Public safety	45,991,521	49,473,142	52,402,492	57,578,659	59,894,161	67,026,282	72,845,343	74,294,108	69,232,976	92,602,509
Economic and physical development	2,588,795	2,612,048	2,729,040	2,933,004	3,598,518	4,905,724	4,939,816	5,067,559	9,308,379	5,585,773
Human services	36,905,034	43,219,454	38,311,835	44,403,278	41,198,351	45,685,378	49,623,331	57,758,191	53,295,379	59,608,975
Cultural and recreational	6,470,275	6,716,756	6,996,026	7,487,519	8,153,459	8,341,339	8,207,449	7,816,884	5,507,578	8,691,375
Education	89,813,013	106,525,203	114,373,247	114,522,089	117,388,325	142,232,139	169,570,717	140,119,720	145,593,143	150,878,680
Interest on long term debt	16,686,228	15,560,572	12,220,595	13,009,921	13,236,217	12,208,660	14,266,021	14,003,945	12,714,619	16,330,847
<b>Total Governmental Activities</b>	<b>\$ 211,336,635</b>	<b>\$ 233,923,799</b>	<b>\$ 244,461,047</b>	<b>\$ 256,069,081</b>	<b>\$ 259,375,044</b>	<b>\$ 296,465,229</b>	<b>\$ 344,707,213</b>	<b>\$ 328,055,812</b>	<b>\$ 331,006,909</b>	<b>\$ 367,584,842</b>
Business-type Activities:										
Water and sewer	32,291,195	34,271,677	37,743,763	44,396,330	46,256,524	50,629,603	54,648,868	32,709,337	66,136,936	70,410,768
Solid waste	4,534,458	4,566,593	4,480,119	4,746,161	5,066,103	5,183,839	6,072,828	7,209,309	9,020,044	9,728,256
Stormwater	235,519	135,036	166,741	359,971	-	-	-	-	-	-
<b>Total Business-type Activities</b>	<b>\$ 37,061,172</b>	<b>\$ 38,973,306</b>	<b>\$ 42,390,623</b>	<b>\$ 49,502,462</b>	<b>\$ 51,322,627</b>	<b>\$ 55,813,442</b>	<b>\$ 60,721,696</b>	<b>\$ 39,918,646</b>	<b>\$ 75,156,980</b>	<b>\$ 80,139,024</b>
<b>Total Expenses</b>	<b>\$ 248,397,807</b>	<b>\$ 272,897,105</b>	<b>\$ 286,851,670</b>	<b>\$ 305,571,543</b>	<b>\$ 310,697,671</b>	<b>\$ 352,278,671</b>	<b>\$ 405,428,909</b>	<b>\$ 367,974,458</b>	<b>\$ 406,163,889</b>	<b>\$ 447,723,866</b>
<b>Program Revenues</b>										
Governmental Activities:										
Charges for services:										
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,561,605	\$ 10,663,324	\$ 11,674,780	\$ 10,293,086
Public safety	7,104,127	6,981,473	7,755,805	7,542,449	7,986,731	7,735,875	8,819,461	6,796,885	8,384,239	5,722,681
Human services	9,795,257	10,046,988	9,895,788	9,602,369	4,909,306	6,226,127	5,091,502	8,831,766	17,885,198	6,405,099
Other activities	2,175,261	2,361,696	2,524,474	2,966,685	9,353,755	9,826,010	1,777,412	4,097,252	4,875,776	2,959,389
Operating grants and contributions:										
Human services	18,670,709	19,629,643	20,348,777	20,894,206	18,200,442	17,153,949	17,796,125	25,547,896	16,844,962	25,637,633
Education	7,548,402	9,836,712	9,119,985	10,335,409	10,844,845	12,193,079	13,014,041	14,515,306	16,286,320	17,697,393
General government	-	-	-	-	-	-	184,258	277,055	233,567	18,407,528
Other activities	4,101,117	3,871,387	3,977,275	4,828,443	4,797,940	5,171,314	4,619,805	4,793,792	5,434,206	6,752,680
Capital grants and contributions	270,327	41,598	68,520	242,226	-	16,310	423,161	294,098	-	-
<b>Total Governmental Activities</b>	<b>\$ 49,665,200</b>	<b>\$ 52,769,497</b>	<b>\$ 53,690,624</b>	<b>\$ 56,411,787</b>	<b>\$ 56,093,019</b>	<b>\$ 58,322,664</b>	<b>\$ 65,287,370</b>	<b>\$ 75,817,374</b>	<b>\$ 81,619,048</b>	<b>\$ 93,875,489</b>
Business-type Activities:										
Charges for services:										
Water and sewer	\$ 34,120,018	\$ 39,350,178	\$ 39,992,024	\$ 52,611,512	\$ 50,908,521	\$ 49,747,920	\$ 53,512,791	\$ 33,418,576	\$ 73,917,884	\$ 78,819,459
Solid waste	4,639,562	4,150,265	5,200,090	5,581,482	5,434,204	6,216,595	6,890,017	7,955,165	9,024,723	10,114,105
Stormwater	16,100	28,694	46,386	-	-	-	-	-	-	-
Operating grants and contributions	2,120,364	392,039	-	-	-	-	-	-	12,888	4,706,371
Capital grants and contributions:										
Water and sewer	8,471,433	4,458,111	17,816,555	11,322,960	8,363,042	13,487,093	14,126,775	16,088,204	22,093,752	12,395,716
<b>Total Business-type Activities</b>	<b>\$ 49,367,477</b>	<b>\$ 48,379,287</b>	<b>\$ 63,055,055</b>	<b>\$ 69,515,954</b>	<b>\$ 64,705,767</b>	<b>\$ 69,451,608</b>	<b>\$ 74,529,583</b>	<b>\$ 57,461,945</b>	<b>\$ 105,049,247</b>	<b>\$ 106,035,651</b>
<b>Total Primary Revenues</b>	<b>\$ 99,032,677</b>	<b>\$ 101,148,784</b>	<b>\$ 116,745,679</b>	<b>\$ 125,927,741</b>	<b>\$ 120,798,786</b>	<b>\$ 127,774,272</b>	<b>\$ 139,816,953</b>	<b>\$ 133,279,319</b>	<b>\$ 186,668,295</b>	<b>\$ 199,911,140</b>
<b>Net (Expense) /Revenue</b>										
Governmental Activities	\$ (161,671,435)	\$ (181,154,302)	\$ (190,770,423)	\$ (199,657,294)	\$ (203,282,025)	\$ (238,142,565)	\$ (279,419,843)	\$ (253,238,438)	\$ (249,387,861)	\$ (273,709,353)
Business-type Activities	12,306,305	9,405,981	20,664,432	20,013,492	13,383,140	13,638,166	13,824,167	17,543,299	29,892,267	25,896,627
<b>Total primary government net expense</b>	<b>\$ (149,365,130)</b>	<b>\$ (171,748,321)</b>	<b>\$ (170,105,991)</b>	<b>\$ (179,643,802)</b>	<b>\$ (189,898,885)</b>	<b>\$ (224,504,399)</b>	<b>\$ (265,595,676)</b>	<b>\$ (235,695,139)</b>	<b>\$ (219,495,594)</b>	<b>\$ (247,812,726)</b>

Note: Beginning in fiscal year 2020, General Government revenues were reported separately from Other Activities.

Table 2 (continued)

**Union County, North Carolina**  
**Changes in Net Position (continued)**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year									
	Restated 2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Revenues</b>										
Governmental Activities:										
Property taxes levied for general purposes	\$ 168,913,593	\$ 193,496,714	\$ 191,316,580	\$ 194,800,497	\$ 205,216,133	\$ 199,894,266	\$ 205,248,659	\$ 216,215,388	\$ 230,345,003	\$ 240,724,747
Local option sales tax	30,284,689	33,023,307	37,420,598	42,828,128	44,074,996	47,069,786	50,242,063	58,998,697	69,525,750	73,534,546
Other taxes and licenses	2,410,251	2,433,979	2,622,315	2,822,173	2,916,298	3,182,688	3,207,810	4,049,677	5,137,873	4,830,535
Unrestricted grants and contributions	75,773	82,050	115,081	120,366	180,174	160,000	167,570	257,924	308,131	130,927
Unrestricted rental income	-	-	-	-	-	-	-	-	-	-
Unrestricted investment earnings	420,138	491,943	923,829	483,772	1,910,293	5,020,147	4,721,500	(13,767)	(1,006,337)	10,889,196
Unrestricted miscellaneous	8,380	10,313	714	112	2	-	-	-	-	-
Transfers in/out	-	327,500	-	-	-	(2,070,572)	159,300	(991,908)	-	-
Gain / (loss) on sale of capital assets	123,560	91,095	126,632	32,245	55,177	48,744	132,877	137,891	1,015,363	8,546
Extraordinary item	-	-	-	-	-	-	-	-	-	-
<b>Total general revenues and transfers</b>	<b>202,236,384</b>	<b>229,956,901</b>	<b>232,525,749</b>	<b>241,087,293</b>	<b>254,353,073</b>	<b>253,305,059</b>	<b>263,879,779</b>	<b>278,653,902</b>	<b>305,325,783</b>	<b>330,118,497</b>
Business-type Activities:										
Unrestricted investment earnings	232,586	399,689	636,881	274,237	1,179,405	2,850,947	2,260,714	(108,847)	(790,743)	4,756,503
Transfers	-	(327,500)	-	-	-	2,070,572	(159,300)	991,908	-	-
Gain / (loss) on sale of capital assets	65,488	126,724	113,935	58,601	88,781	66,538	785,699	35,064	141,728	66,608
<b>Total Business-type activities</b>	<b>298,074</b>	<b>198,913</b>	<b>750,816</b>	<b>332,838</b>	<b>1,268,186</b>	<b>4,988,057</b>	<b>2,887,113</b>	<b>918,125</b>	<b>(649,015)</b>	<b>4,823,111</b>
<b>Total primary government</b>	<b>\$ 202,534,458</b>	<b>\$ 230,155,814</b>	<b>\$ 233,276,565</b>	<b>\$ 241,420,131</b>	<b>\$ 255,621,259</b>	<b>\$ 258,293,116</b>	<b>\$ 266,766,892</b>	<b>\$ 279,572,027</b>	<b>\$ 304,676,768</b>	<b>\$ 334,941,608</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 40,564,949	\$ 48,802,599	\$ 41,755,326	\$ 41,429,999	\$ 51,071,048	\$ 15,162,494	\$ (15,540,064)	\$ 25,415,464	\$ 55,937,922	\$ 56,409,144
Business-type Activities	12,604,379	9,604,894	21,415,248	20,346,330	14,651,326	18,628,223	16,691,280	18,461,424	29,243,252	30,719,738
<b>Total Change in Net Position</b>	<b>\$ 53,169,328</b>	<b>\$ 58,407,493</b>	<b>\$ 63,170,574</b>	<b>\$ 61,776,329</b>	<b>\$ 65,722,374</b>	<b>\$ 33,790,717</b>	<b>\$ 1,151,216</b>	<b>\$ 43,876,888</b>	<b>\$ 85,181,174</b>	<b>\$ 87,128,882</b>

Table 3

**Union County, North Carolina  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 204,937	\$ 783,121	\$ 547,783	\$ 342,875	\$ 176,614	\$ 11,836	\$ 53,650	\$ 37,638	\$ 50,308	\$ 61,142
Restricted	14,979,838	17,830,894	19,608,677	21,323,211	23,728,459	39,558,378	25,853,559	35,636,403	37,204,166	31,694,610
Committed	31,916,595	53,982,762	57,191,296	60,642,715	62,893,854	60,998,762	61,510,365	61,178,336	63,282,510	71,391,899
Assigned	31,104,920	3,382,024	6,043,138	7,284,270	9,053,252	2,779,068	2,933,011	22,447,868	8,270,719	22,169,876
Unassigned	1,941,549	6,107,032	9,080,301	11,172,122	17,025,170	6,026,025	37,695,947	12,260,033	26,263,676	42,363,037
Total general fund	<u>\$ 80,147,839</u>	<u>\$ 82,085,833</u>	<u>\$ 92,471,195</u>	<u>\$ 100,765,193</u>	<u>\$ 112,877,349</u>	<u>\$ 109,374,069</u>	<u>\$ 128,046,532</u>	<u>\$ 131,560,278</u>	<u>\$ 135,071,379</u>	<u>\$ 167,680,564</u>
All other governmental funds										
Restricted:										
Special revenue funds	\$ 3,491,543	\$ 3,474,171	\$ 3,632,849	\$ 3,380,379	\$ 3,412,616	\$ 3,850,487	\$ 4,956,214	\$ 6,366,198	\$ 7,336,166	\$ 10,782,074
Capital project funds	15,396,322	18,661,115	38,677,208	26,483,745	72,131,480	52,622,978	40,923,839	62,491,983	43,690,979	184,363,582
Assigned:										
Capital project funds	41,227,050	48,605,776	22,168,732	16,020,630	11,375,682	-	78,443,355	36,730,333	52,333,481	55,547,089
Public Safety	-	354,782	302,782	174,782	390,125	663,389	-	-	179,957	-
Unassigned:										
Public Safety	-	(20,941)	-	-	(142,370)	(1,051,824)	(674,705)	(1,336,113)	-	(17,487)
Special revenue funds	-	-	-	-	-	-	-	-	(814,125)	(1,928,875)
Capital project funds	-	-	-	-	-	(8,619,143)	31,474	-	-	(11,353,908)
Total all other governmental funds	<u>\$ 60,114,915</u>	<u>\$ 71,074,903</u>	<u>\$ 64,781,571</u>	<u>\$ 46,059,536</u>	<u>\$ 87,167,533</u>	<u>\$ 47,465,887</u>	<u>\$ 123,680,177</u>	<u>\$ 104,252,401</u>	<u>\$ 102,726,458</u>	<u>\$ 237,392,475</u>

Table 4

**Union County, North Carolina**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Ad valorem taxes	\$ 169,710,100	\$ 194,255,775	\$ 192,395,861	\$ 195,274,372	\$ 205,544,367	\$ 200,033,303	\$ 205,018,769	\$ 216,861,127	\$ 230,583,439	\$ 240,745,881
Local option sales tax	30,284,689	33,023,307	37,420,598	42,828,128	44,074,996	47,069,786	50,242,063	58,998,697	69,525,750	73,534,546
Other taxes and licenses	3,492,149	3,201,693	3,136,056	3,652,751	3,789,364	3,973,402	3,954,408	4,866,335	5,891,944	4,830,535
Intergovernmental revenue	29,679,942	31,928,468	33,831,925	36,527,796	34,516,783	36,880,791	38,003,442	52,634,253	53,207,574	69,741,940
Permits and fees	6,982,279	6,783,000	7,472,415	7,227,386	7,862,126	7,372,469	8,596,860	6,976,032	7,616,113	5,843,350
Sales and services	4,911,808	5,182,376	5,173,794	4,599,967	5,914,930	6,546,595	5,749,023	4,809,935	9,026,258	6,223,783
Investment earnings	397,818	467,683	867,318	451,706	1,824,378	4,764,823	4,609,079	18,714	(984,026)	10,695,931
Miscellaneous	7,250,003	7,433,477	7,145,607	7,583,456	7,377,686	13,543,304	8,182,913	9,976,311	9,932,134	12,268,703
<b>Total Revenues</b>	<b>252,708,788</b>	<b>282,275,779</b>	<b>287,443,574</b>	<b>298,145,562</b>	<b>310,904,630</b>	<b>320,184,473</b>	<b>324,356,557</b>	<b>355,141,404</b>	<b>384,799,186</b>	<b>423,884,669</b>
<b>Expenditures</b>										
Current:										
General government	11,625,201	11,254,881	12,344,165	13,165,184	13,381,265	14,665,382	18,002,109	26,398,132	31,058,589	34,581,334
Public safety	43,980,663	48,720,595	52,681,383	57,008,242	62,734,029	67,937,224	71,873,105	70,546,972	77,954,992	90,896,342
Economic and physical development	2,383,306	2,565,477	2,629,698	2,813,512	3,322,030	4,534,087	4,601,843	6,032,724	6,032,724	5,180,105
Human services	37,430,037	40,496,633	41,848,033	43,900,232	43,083,568	45,941,860	47,910,610	55,430,052	55,889,295	59,508,046
Cultural and recreational	6,006,214	6,278,455	6,579,913	6,888,443	7,597,933	8,027,154	7,332,683	6,690,573	7,471,269	7,906,109
Intergovernmental:										
Education	85,180,373	89,885,541	94,996,333	97,247,541	99,713,171	103,194,389	106,102,982	112,899,751	115,534,483	121,632,240
Debt Service:										
Principal	31,705,585	33,368,401	33,292,147	33,251,165	33,201,602	44,683,633	24,947,000	35,820,002	36,686,664	37,926,505
Interest and fiscal charges	15,643,292	14,968,596	14,522,294	12,607,982	12,355,204	12,511,719	14,048,665	14,204,595	13,022,847	11,676,872
Capital Outlay	7,058,571	22,134,201	23,343,138	39,935,681	34,419,297	59,785,746	69,294,756	49,078,618	55,984,248	47,992,142
<b>Total Expenditures</b>	<b>241,013,242</b>	<b>269,672,780</b>	<b>282,237,104</b>	<b>306,817,982</b>	<b>309,808,099</b>	<b>361,281,194</b>	<b>364,113,753</b>	<b>375,709,037</b>	<b>399,635,111</b>	<b>417,299,695</b>
Excess (Deficiency) of Revenues over (under) Expenditures	11,695,546	12,602,999	5,206,470	(8,672,420)	1,096,531	(41,096,721)	(39,757,196)	(20,567,633)	(14,835,925)	6,584,974
<b>Other Financing Sources (Uses)</b>										
Transfers from other funds	21,428,507	32,648,952	16,932,270	21,594,116	22,808,549	22,750,806	42,411,055	23,411,185	36,159,487	65,404,746
Transfers to other funds	(21,428,507)	(32,681,469)	(18,386,710)	(23,349,733)	(24,765,252)	(24,859,011)	(37,863,769)	(24,403,093)	(39,984,787)	(47,618,267)
Transfers to General Fund	-	-	-	-	-	-	-	-	-	(17,786,479)
Transfer in-Water and Sewer Fund	-	327,500	-	-	-	-	-	-	-	-
Proceeds from borrowing	-	-	-	-	54,080,325	-	148,561,663	5,600,000	22,758,117	156,153,408
Proceeds from refunding	-	-	48,555,017	-	-	-	-	-	-	26,108,446
Proceeds from lease	-	-	-	-	-	-	-	-	618,766	1,379,623
Proceeds from subscription	-	-	-	-	-	-	-	-	-	3,004,974
Proceeds from land for resale	-	-	(48,215,017)	-	-	-	(18,465,000)	-	350,000	-
Payments to escrow agent	-	-	-	-	-	-	-	-	-	(25,956,223)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>294,983</b>	<b>(1,114,440)</b>	<b>(1,755,617)</b>	<b>52,123,622</b>	<b>(2,108,205)</b>	<b>134,643,949</b>	<b>4,608,092</b>	<b>19,901,583</b>	<b>160,690,228</b>
<b>Net change in fund balances</b>	<b>\$ 11,695,546</b>	<b>\$ 12,897,982</b>	<b>\$ 4,092,030</b>	<b>\$ (10,428,037)</b>	<b>\$ 53,220,153</b>	<b>\$ (43,204,926)</b>	<b>\$ 94,886,753</b>	<b>\$ (15,959,541)</b>	<b>\$ 5,065,658</b>	<b>\$ 167,275,202</b>
Debt service as a percentage of non-capital expenditures	20.0%	18.4%	17.3%	16.3%	15.6%	16.6%	10.9%	14.1%	13.3%	12.3%

Table 5

**Union County, North Carolina  
Ad Valorem Taxes - General Fund  
Last Ten Fiscal Years  
(in thousands of dollars)**

	<b>Fiscal Year</b>									
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
REVENUES										
Ad Valorem Taxes										
Current year levy	\$ 160,701,501	\$ 186,316,459	\$ 184,604,610	\$ 188,197,662	\$ 198,305,186	\$ 191,662,309	\$ 196,802,461	\$ 204,543,150	\$ 216,833,177	\$ 226,106,700
Prior years' levy	2,692,210	1,741,779	1,641,647	1,060,434	819,774	1,065,474	820,652	971,484	831,018	891,069
Penalties and interest	1,636,238	1,105,634	1,024,575	804,102	690,864	771,674	661,454	794,559	712,619	728,664
Total	<u>\$ 165,029,949</u>	<u>\$ 189,163,872</u>	<u>\$ 187,270,832</u>	<u>\$ 190,062,198</u>	<u>\$ 199,815,824</u>	<u>\$ 193,499,457</u>	<u>\$ 198,284,567</u>	<u>\$ 206,309,193</u>	<u>\$ 218,376,814</u>	<u>\$ 227,726,433</u>

Table 6

**Union County, North Carolina  
Assessed Value of Taxable Property  
Last Ten Fiscal Years  
(in thousands of dollars)**

Fiscal Year	Tax Year	Real Property		Personal Property		Public Service Company Property	Total Taxable Assessed Value	Total Direct Tax Rate
		Commercial	Residential	Motor Vehicles	Other			
2014	2013	\$ 2,672,689	\$ 18,273,843	\$ 2,484,134	\$ 1,314,726	\$ 354,966	\$ 25,100,358	0.6600
2015	2014	2,676,766	18,273,843	2,111,720	1,250,481	352,249	24,665,059	0.7614
2016	2015	2,553,722	17,728,191	2,352,928	1,283,277	387,277	24,305,395	0.7765
2017	2016	2,549,763	17,728,191	2,529,384	1,358,790	413,136	24,579,264	0.7665
2018	2017	2,621,248	18,233,252	2,615,387	1,514,990	420,816	25,405,693	0.7810
2019	2018	2,693,966	18,851,451	2,736,204	1,524,403	427,253	26,233,277	0.5880
2020	2019	2,209,115	20,084,074	2,780,755	1,617,889	372,931	27,064,764	0.5880
2021	2020	2,235,425	20,468,176	3,134,096	1,746,156	397,623	27,981,476	0.7309
2022	2021	2,657,843	28,442,411	3,314,012	1,766,952	512,487	36,693,705	0.5880
2023	2022	2,722,123	29,453,886	3,691,635	2,003,875	557,933	38,429,452	0.5880

Source: County Assessor's Office

Note: Assessed valuations are established by the Board of County Commissioners at 100% of estimated market value. A revaluation of real property is required by the North Carolina General Statutes at least every eight years. The Board of County Commissioners may accelerate the frequency of revaluations. Prior revaluations were completed for tax years 2015 and 2021.

Table 7

**Union County, North Carolina**  
**Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(in thousands of dollars)**

Fiscal Year	Tax Year	Sales Assessment Ratio	Real Property	Personal Property		Public Service Company Property	Estimated Actual Taxable Value
				Motor Vehicles	Other		
2014	2013	117.86%	\$ 17,373,000	\$ 2,484,134	\$ 1,314,726	\$ 354,966	\$ 21,526,826
2015	2014	110.96%	18,646,043	2,111,720	1,240,541	352,249	22,350,553
2016	2015	99.71%	19,830,812	2,352,928	1,283,277	387,277	23,854,294
2017	2016	95.33%	21,271,325	2,529,384	1,358,790	413,136	25,572,635
2018	2017	88.40%	23,591,063	2,615,387	1,514,990	420,816	28,142,256
2019	2018	84.48%	25,503,571	2,736,204	1,524,403	427,253	30,191,431
2020	2019	79.04%	28,204,946	2,780,755	1,617,889	372,931	32,976,521
2021	2020	77.35%	29,351,779	3,134,096	1,746,156	397,623	34,629,654
2022	2021	100.00%	31,100,254	3,314,012	1,766,952	512,487	36,693,705
2023	2022	100.00%	32,176,009	3,691,635	2,003,875	557,933	38,429,452

Source: County Assessor's Office and NCDOR

Table 8

**Union County, North Carolina  
Property Tax Rates  
Direct and Overlapping Governments  
Last Ten Fiscal Years**

Fiscal Year Ended June 30	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
TaxYear	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Taxes Levied by Union County</b>										
County-wide rate	0.6600	0.7614	0.7765	0.7665	0.7810	0.7309	0.7309	0.7309	0.5880	0.5880
Supplemental Fire Districts										
Allens Crossroads VFD	-	-	-	-	-	-	-	0.0838	0.0700	0.0689
Bakers VFD	-	-	-	-	-	-	-	0.0531	0.0335	0.0343
Beaver Lane VFD	-	-	-	-	-	-	-	0.0843	0.0644	0.0671
Fairview VFD	-	-	-	-	-	-	-	0.0517	0.0510	0.0503
Griffith VFD	-	-	-	-	-	-	-	0.0507	0.0215	0.0200
Hemby VFD	0.0526	0.0526	0.0512	0.0485	0.0503	0.0488	0.0488	0.0487	0.0441	0.0441
Jackson VFD	-	-	-	-	-	-	-	0.0404	0.0288	0.0399
Lanes Creek VFD	-	-	-	-	-	-	-	0.0792	0.0568	0.0546
New Salem VFD	-	-	-	-	-	-	-	0.0569	0.0396	0.0384
Providence VFD	-	-	-	-	-	-	-	0.0392	0.0361	0.0375
Sandy Ridge VFD	-	-	-	-	-	-	-	0.0584	0.0385	0.0329
Springs VFD	0.0355	0.0483	0.0474	0.0437	0.0567	0.0552	0.0552	0.0403	0.0422	0.0464
Stack VFD	-	-	-	-	-	-	-	0.0611	0.0455	0.0348
Stallings VFD	0.0428	0.0428	0.0509	0.0503	0.0503	0.0502	0.0502	0.0548	0.0472	0.0478
Unionville VFD	-	-	-	-	-	-	-	0.0451	0.0616	0.0614
Waxhaw VFD	0.0386	0.0386	0.0380	0.0357	0.0413	0.0545	0.0545	0.0526	0.0403	0.0419
Wesley Chapel VFD	0.0241	0.0281	0.0282	0.0293	0.0293	0.0354	0.0354	0.0392	0.0361	0.0375
Wingate VFD	-	-	-	-	-	-	-	0.0817	0.0663	0.0670
Total County Rates										
Maximum	0.7126	0.8140	0.8277	0.8168	0.8377	0.7861	0.7861	0.8152	0.6524	0.6551
Minimum	0.6600	0.7614	0.7765	0.7665	0.7810	0.7309	0.7309	0.7309	0.5880	0.5880
Average	0.6863	0.7877	0.8021	0.7917	0.8094	0.7585	0.7585	0.7731	0.6202	0.6216
<b>Overlapping Taxes Levied by Municipalities</b>										
City of Monroe	0.5550	0.5550	0.5863	0.5863	0.5863	0.6163	0.6163	0.6163	0.5025	0.5025
Downtown Monroe District	0.2000	0.2000	0.2190	0.2190	0.2190	0.2190	0.2190	0.2190	0.1950	0.1950
Town of Fairview	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
Town of Hemby Bridge	-	-	-	-	-	-	-	-	-	-
Town of Indian Trail	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850	0.1850
Town of Marshville	0.4800	0.4800	0.4800	0.4800	0.5100	0.5100	0.5100	0.5100	0.4900	0.4900
Town of Mineral Springs	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0250	0.0210	0.0210
Town of Mint Hill	-	-	-	-	-	-	-	-	-	-
Town of Stallings	0.2150	0.2150	0.2150	0.2150	0.2150	0.2150	0.2150	0.2150	0.1860	0.1860
Town of Unionville	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
Town of Waxhaw	0.3400	0.3400	0.3600	0.3600	0.3600	0.3850	0.3850	0.3850	0.3850	0.3850
Town of Weddington	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520	0.0480	0.0480
Town of Wingate	0.3900	0.3900	0.4200	0.4200	0.4300	0.4300	0.4300	0.4300	0.3400	0.3400
Village of Lake Park	0.2300	0.2300	0.2300	0.2300	0.2300	0.2400	0.2500	0.2500	0.1900	0.2025
Village of Marvin	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0600	0.0600	0.0600
Village of Wesley Chapel	0.0165	0.0165	0.0165	0.0165	0.0165	0.0165	0.0165	0.0165	0.0129	0.0129



Table 9

**Union County, North Carolina  
Construction Information  
Last Ten Fiscal Years  
(in thousands of dollars except for number of units)**

<b>Fiscal Year</b>	<b>Commercial Construction</b>		<b>Residential Construction</b>	
	<b>Number of Units</b>	<b>Value</b>	<b>Number of Units</b>	<b>Value</b>
2014	400	\$ 104,010	3285	\$ 320,781
2015	519	85,815	3177	284,674
2016	592	189,488	3751	370,714
2017	518	113,835	3445	366,948
2018	636	203,181	3778	437,898
2019	589	244,562	3348	356,261
2020	569	455,379	4018	440,606
2021	442	214,374	5263	558,298
2022	528	244,896	5637	758,837
2023	597	327,800	3793	561,897

Source: Building Permits are compiled from Union County Planning Dept., City of Monroe, and Town of Waxhaw.

Note: Fiscal Year 2021 permit figures have been updated to fully report counts not reflected in the previous year's publication.

Table 10

**Union County, North Carolina  
Principal Property Taxpayers  
Current Year and Nine Years Ago**

Taxpayer	Type of Business	June 30, 2023			June 30, 2014		
		Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
Allegheny Technologies Inc.	Manufacturing	\$ 243,334,172	1	0.63 %	\$ 255,404,410	1	1.04 %
Union Electric Membership Corp	Utility	173,092,928	2	0.45 %	119,489,679	2	0.49 %
Duke Power Company	Utility	166,137,915	3	0.43 %	83,793,855	4	0.34 %
Charlotte Pipe & Foundry Company	Manufacturing	162,607,249	4	0.42 %	97,353,067	3	0.40 %
Piedmont Natural Gas	Utility	99,519,843	5	0.26 %	56,738,591	5	0.23 %
AMH NC Properties LP	Home Rentals	83,803,200	6	0.22 %	-	-	- %
Consolidated Metco Inc.	Manufacturing	67,246,891	7	0.17 %	-	-	- %
Utility Lines Construction Services	Utility	57,315,951	8	0.15 %	-	-	- %
Goulston Technologies Inc.	Manufacturing	43,679,604	9	0.11 %	-	-	- %
Utility Lines Construction Services	Utility	38,398,100	10	0.10 %	-	-	- %
AEP Industries Inc	Manufacturing	-	-	-	47,893,825	6	0.19 %
Wal-Mart Real Estate Business	Retail	-	-	-	35,926,610	7	0.15 %
WSLD Millbridge VI LLC	Home Builder	-	-	-	34,569,510	8	0.14 %
Turbomeca Manufacturing Inc.	Manufacturing	-	-	-	32,995,029	9	0.13 %
TYD Industries Inc.	Manufacturing	-	-	-	28,124,870	10	0.11 %
Total assessed valuation of top 10 taxpayers		<u>\$ 1,135,135,853</u>		<u>2.95 %</u>	<u>\$ 792,289,446</u>		<u>3.22 %</u>
Total county-wide assessed valuation		<u>\$ 38,429,452,436</u>			<u>\$ 24,629,644,596</u>		

Source: County Assessor's Office.

Table 11

**Union County, North Carolina  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

Fiscal Year	Tax Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy			Collections in Subsequent Years	Total Collections to Date		
			Amount Collected	Percentage of Levy			Amount Collected	Percentage of Levy	
2014	2013	\$ 162,787,247	\$ 160,654,217	98.7	%	\$ 1,055,880	\$ 161,710,097	99.3	%
2015	2014	187,119,188	186,043,063	99.4	%	273,396	186,316,459	99.6	%
2016	2015	184,680,886	184,123,235	99.7	%	481,373	184,604,608	100.0	%
2017	2016	188,432,411	187,912,101	99.7	%	285,561	188,197,662	99.9	%
2018	2017	198,297,575	197,993,083	99.8	%	312,102	198,305,185	100.0	%
2019	2018	192,056,954	191,557,613	99.7	%	104,696	191,662,309	99.8	%
2020	2019	197,546,817	196,786,125	99.6	%	16,336	196,802,461	99.6	%
2021	2020	204,482,872	204,496,057	100.0	%	47,092	204,543,149	100.0	%
2022	2021	216,861,058	216,770,532	100.0	%	62,644	216,833,176	100.0	%
2023	2022	225,998,455	225,998,455	100.0	%	108,245	226,106,700	100.0	%

Table 12

**Union County, North Carolina**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities					Debt to Assessed Value	Percentage of Personal Income	Debt Per Capita
	General Obligation Bonds	C.O.P.'s and Installment Financing	Lease Liability	Subscription Liability	Total Governmental Activities			
2014	\$ 357,818,458	\$ 83,338,489	\$ -	\$ -	\$ 441,156,947	1.79 %	5.0 %	\$ 2,085
2015*	346,375,424	83,222,053	-	-	429,597,477	1.74 %	4.3 %	1,989
2016*	318,941,151	76,303,778	-	-	395,244,929	1.66 %	3.8 %	1,792
2017*	289,513,224	69,396,598	-	-	358,909,822	1.46 %	3.2 %	1,602
2018*	314,233,363	62,571,111	-	-	376,804,474	1.48 %	3.1 %	1,629
2019*	273,169,328	55,808,592	-	-	328,977,920	1.25 %	2.6 %	1,385
2020*	380,695,049	50,249,706	-	-	430,944,755	1.58 %	3.2 %	1,797
2021*	347,174,304	50,425,820	-	-	397,600,124	1.42 %	n/a %	1,639
2022*	336,037,179	44,662,934	440,498	-	381,140,611	1.04 %	n/a %	1,543
2023*	458,427,030	37,918,794	1,539,957	1,870,854	499,756,635	1.30 %	n/a %	1,967

Fiscal Year							Total Primary Government			
	General Obligation Bonds	Revenue Bonds	Other Long-term Obligations	Lease Liability	Subscription Liability	Total Business-Type Activities	Debt Per Water Connections	Total Primary Government	Percentage of Personal Income	Debt Per Capita
2014	\$ 191,542	\$ 47,175,000	\$ 11,201,090	\$ -	\$ -	\$ 58,567,632	\$ 1,336	\$ 499,724,579	5.5 %	\$ 2,362
2015*	59,943	45,966,718	10,217,393	-	-	56,244,054	1,247	485,841,531	4.8 %	2,250
2016*	-	62,627,835	9,233,697	-	-	71,861,532	1,554	467,106,461	5.1 %	2,118
2017*	-	60,021,984	8,250,000	-	-	68,271,984	1,457	427,181,806	3.8 %	1,907
2018*	-	121,096,288	7,500,000	-	-	128,596,288	2,605	505,400,762	4.2 %	2,184
2019*	-	194,866,255	6,750,000	-	-	201,616,255	3,992	530,594,175	4.2 %	2,234
2020*	-	160,269,930	-	-	-	160,269,930	3,084	591,214,685	4.3 %	2,465
2021*	-	482,992,769	-	-	-	482,992,769	9,022	880,592,893	n/a %	3,629
2022*	-	476,711,975	-	-	-	476,711,975	8,618	857,852,586	n/a %	3,472
2023*	-	464,156,181	-	75,352	69,833	464,301,366	8,176	964,058,001	n/a %	3,794

\* - Includes unamortized premiums.

Table 13

**Union County, North Carolina  
Ratios of General Bonded Debt Outstanding  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Obligation Debt</b>			
	<b>Total General Obligation Debt</b>	<b>Percentage of Actual Taxable Value of Property</b>		<b>Debt Per Capita</b>
2014	\$ 358,010,000	1.45	%	\$ 1,637
2015	346,375,424	1.35	%	1,604
2016	318,941,151	1.25	%	1,446
2017	289,513,224	1.11	%	1,221
2018	314,233,363	1.24	%	1,358
2019	273,169,328	1.04	%	1,150
2020	380,695,049	1.40	%	1,587
2021	347,174,304	1.24	%	1,431
2022	336,037,179	0.92	%	1,360
2023	458,427,030	1.19	%	1,804

Notes: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

Table 14

**Union County, North Carolina  
Legal Debt Margin Information  
Last Ten Fiscal Years**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Assessed value of taxable property (in 000's)	\$ 24,629,645	\$ 24,665,059	\$ 23,796,785	\$ 24,579,264	\$ 25,405,693	\$ 26,233,277	\$ 27,064,764	\$ 27,981,476	\$ 36,693,704	\$ 38,429,452
Applicable percentage:	x 0.08	x 0.08	x 0.08	x 0.08	x 0.08	x 0.08	x 0.08	x 0.08	x 0.08	x 0.08
Debt limit - 8 percent of assessed value	<u>1,970,371,600</u>	<u>1,973,204,720</u>	<u>1,903,742,804</u>	<u>1,966,341,124</u>	<u>2,032,455,440</u>	<u>2,098,662,160</u>	<u>2,165,181,120</u>	<u>2,238,518,080</u>	<u>2,935,496,320</u>	<u>3,074,356,160</u>
Gross debt										
General obligation debt	358,010,000	330,795,000	300,545,000	273,565,000	296,700,000	258,290,000	352,718,000	321,833,000	311,187,000	414,172,000
Authorized and unissued	-	-	-	104,320,000	54,320,000	54,320,000	-	-	-	32,725,000
Certificates of Participation	78,200,000	72,860,000	67,565,000	62,320,000	57,050,000	51,885,000	46,815,000	41,880,000	36,980,000	29,795,000
Installment Financing	5,138,489	4,188,659	3,201,399	2,175,234	1,108,633	-	-	5,600,000	5,226,000	4,852,000
NC Clean Water Revolving Loan	11,201,090	10,217,393	9,233,697	8,250,000	7,500,000	6,750,000	-	-	-	-
	<u>452,549,579</u>	<u>418,061,052</u>	<u>380,545,096</u>	<u>450,630,234</u>	<u>416,678,633</u>	<u>371,245,000</u>	<u>399,533,000</u>	<u>369,313,000</u>	<u>353,393,000</u>	<u>481,544,000</u>
Less: Sewer bonds issued and outstanding	(191,542)	(55,113)	-	-	-	-	-	-	-	-
NC Clean Water Revolving Loan	<u>(11,201,090)</u>	<u>(10,217,393)</u>	<u>(9,233,697)</u>	<u>(8,250,000)</u>	<u>(7,500,000)</u>	<u>(6,750,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(11,392,632)</u>	<u>(10,272,506)</u>	<u>(9,233,697)</u>	<u>(8,250,000)</u>	<u>(7,500,000)</u>	<u>(6,750,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total amount of debt applicable to debt limit	<u>441,156,947</u>	<u>407,788,546</u>	<u>371,311,399</u>	<u>442,380,234</u>	<u>409,178,633</u>	<u>364,495,000</u>	<u>399,533,000</u>	<u>369,313,000</u>	<u>353,393,000</u>	<u>481,544,000</u>
Legal debt margin	<u>\$ 1,529,214,653</u>	<u>\$ 1,565,416,174</u>	<u>\$ 1,532,431,405</u>	<u>\$ 1,523,960,890</u>	<u>\$ 1,623,276,807</u>	<u>\$ 1,734,167,160</u>	<u>\$ 1,765,648,120</u>	<u>\$ 1,869,205,080</u>	<u>\$ 2,582,103,320</u>	<u>\$ 2,592,812,160</u>
Legal debt margin as a percentage of the debt limit	77.61%	79.26%	80.50%	82.81%	79.87%	82.63%	81.55%	83.50%	87.96%	84.34%

Table 15

**Union County, North Carolina**  
**Pledged Revenue Coverage per Revenue Bond Indenture**  
**Water and Sewer Bonds**  
**Last Ten Fiscal Years**

Fiscal Year	Revenues	Current Expenses	Net Revenues Available for Debt Service	20% Preceding Year's Surplus	Senior Debt Service	Subordinate Debt Service	Total Debt Service	Adj. Total Debt Service + 20% Senior Debt	Coverage Tests	
									Adj. Net Rev / Adj. Dbt. Svc.	Net Rev / Total Dbt. Svc.
2014	\$ 38,601,784	\$ 16,476,867	\$ 22,124,917	\$ 5,646,039	\$ 4,565,677	\$ 1,270,573	\$ 5,836,250	\$ 6,749,385	4.11	3.79
2015	34,506,748	20,688,255	13,818,493	7,234,929	4,497,648	1,245,569	5,743,217	6,642,747	3.17	2.41
2016	39,566,770	23,088,726	16,478,044	n/a	4,395,673	1,220,566	5,616,239	6,495,374	2.54	2.93
2017	43,316,500	24,128,401	19,188,099	n/a	4,185,374	1,195,562	5,380,936	6,218,011	3.09	3.57
2018	52,189,497	26,876,944	25,312,553	n/a	5,978,606	936,863	6,915,469	8,111,190	3.12	3.66
2019	57,433,831	30,006,897	27,426,934	n/a	8,636,232	919,875	9,556,107	11,283,353	2.43	2.87
2020	62,713,139	31,597,835	31,115,304	n/a	8,804,110	865,515	9,669,625	11,430,447	2.72	3.22
2021	72,390,813	33,187,769	39,203,044	n/a	7,411,300	-	7,411,300	8,893,560	4.41	5.29
2022	86,496,692	34,552,552	51,944,140	n/a	10,315,050	-	10,315,050	12,378,060	4.20	5.04
2023	91,239,890	35,537,209	55,702,681	n/a	21,062,986	-	21,062,986	25,275,583	2.20	2.64

Table 16

**Union County, North Carolina  
Pledged Revenue Coverage  
Water and Sewer Bonds  
Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Revenues</b>	<b>Current Expenses</b>	<b>Net Revenues Available for Debt Service</b>	<b>Revenue Bond Debt Service</b>		<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	
2014	\$ 38,601,784	\$ 16,476,867	\$ 22,124,917	\$ 2,780,000	\$ 2,115,493	4.52
2015	34,506,748	20,688,255	13,818,493	2,820,000	1,677,648	3.07
2016	39,566,770	23,088,726	16,478,044	1,735,000	1,895,513	4.54
2017	43,316,500	24,128,401	19,188,099	2,395,000	2,339,646	4.05
2018	52,189,497	26,876,944	25,312,553	2,475,000	3,945,954	3.94
2019	57,433,831	30,006,897	27,426,934	4,240,000	4,396,232	3.18
2020	62,713,139	31,597,835	31,115,304	4,395,000	4,409,110	3.53
2021	72,390,813	33,187,769	39,203,044	4,390,000	3,021,300	5.29
2022	86,496,692	34,552,552	51,944,140	4,600,000	5,715,050	5.04
2023	91,239,890	35,537,209	55,702,681	10,875,000	10,187,986	2.64



Table 17

**Union County, North Carolina  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

Fiscal Year	Personal					
	Population (1)	Income (thousands of dollars) (2)	Capita Personal Income (2)	School Enrollment (3)	Unemployment Rate (4)	Sales (5) (thousands of dollars)
2014	211,539	\$ 9,420,509	\$ 43,224	42,047	6.2 %	\$ 1,460,830
2015	215,956	10,324,744	46,456	41,266	5.3 %	1,610,426
2016	220,546	10,812,551	47,729	41,780	4.3 %	1,799,712
2017	224,029	11,486,771	49,709	42,000	4.0 %	2,018,468
2018	231,366	12,216,381	51,802	41,500	3.6 %	2,068,107
2019	237,477	12,812,641	53,417	41,372	3.9 %	2,191,524
2020	239,859	13,895,901	56,820	41,395	7.2 %	2,326,821
2021	242,657	n/a	n/a	39,767	4.0 %	2,869,555
2022	247,058	n/a	n/a	40,456	3.5 %	3,381,460
2023	254,070	n/a	n/a	41,278	3.1 %	3,652,424

Sources:

1. North Carolina State Demographic Unit
2. United States Dept of Commerce, Bureau of Economic Analysis
3. Amounts are estimated by UCPS. <https://www.ucps.k12.nc.us/Page/218>
4. North Carolina Department of Commerce, Labor Market Publications
5. North Carolina Department of Revenue

Table 18

**Union County, North Carolina  
Principal Employers  
Current Year and Nine Years Ago**

<b>Employer</b>	<b>Type of Business</b>	<b>2023</b>		<b>2014</b>	
		<b>Employees</b>	<b>Rank</b>	<b>Employees</b>	<b>Rank</b>
Union County Schools	Educational Services	1,000+	1	1,000+	1
County of Union	Public Administration	1,000+	2	1,000+	5
Tyson Farms Inc	Manufacturing	1,000+	3	1,000+	3
Harris Teeter	Retail Trade	1,000+	4	1,000+	6
TDY Industries	Manufacturing	1,000+	5	1,000+	4
Wingate University	Educational Services	500-999	6	500-999	11
Wal-Mart Associates Inc	Retail Trade	500-999	7	500-999	7
City of Monroe	Public Administration	500-999	8	500-999	8
Atrium Health	Health Care and Social Assistance	500-999	9	-	-
Pilgrims Pride Corporation	Manufacturing	500-999	10	250-499	9
Charlotte Mecklenburg Hospital	Health Care and Social Assistance	-	-	1,000+	2
Scott Technologies Inc	Manufacturing	-	-	500-999	10

Source: North Carolina Department of Commerce

Table 19

**Union County, North Carolina**  
**Full-time Equivalent Employees by Function / Program**  
**Last Ten Fiscal Years**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Governmental activities:</b>										
General government										
Board of County Commissioners	5.0	5.0	2.1	2.1	2.1	2.1	2.1	1.1	1.1	2.1
County Manager's Office	7.1	8.1	5.0	4.5	4.5	4.8	2.8	4.5	5.5	5.5
Legal Department	4.0	4.0	4.0	4.0	4.0	4.0	4.0	7.0	7.0	7.0
Human Resources Administration	6.0	8.1	8.1	9.1	9.1	9.1	10.3	10.3	10.3	10.0
Finance	8.8	8.8	8.8	9.8	9.8	10.9	13.9	9.0	11.0	10.0
Budget Management	-	-	-	-	-	-	-	5.0	5.0	5.0
Tax Administration	47.8	48.7	48.7	50.4	50.9	52.9	54.4	54.4	54.7	54.7
Board of Elections	12.7	12.8	18.1	17.1	13.1	15.5	18.8	20.7	18.4	18.6
Register of Deeds	10.5	10.5	10.5	10.6	10.5	11.4	11.4	12.4	12.9	11.9
Information Technology	10.1	11.1	11.1	12.1	13.1	15.2	14.3	19.2	19.2	19.2
Public Communications	-	-	-	-	-	-	5.0	6.0	6.0	6.3
Procurement	3.0	4.1	5.1	5.1	5.2	5.2	5.2	5.4	7.4	7.5
Fleet	-	-	-	-	-	-	5.0	5.0	5.0	5.0
Facilities Management	4.0	4.0	5.1	5.1	13.1	15.1	18.5	21.5	27.5	27.0
Outside Agencies - Business	-	-	-	-	1.0	1.0	1.0	1.0	1.0	1.0
Partners	-	-	-	-	-	-	-	-	-	-
Public safety										
Sheriff's Office	284.9	284.8	295.9	300.6	308.9	325.2	328.8	332.8	345.8	356.3
Emergency Communications	42.8	42.2	42.2	50.0	54.0	52.0	52.4	53.3	54.3	54.3
Emergency Management	1.3	1.3	1.3	1.3	1.3	1.6	2.4	2.3	3.3	3.3
Fire Marshal's Office	4.3	4.3	5.3	4.3	5.3	7.6	7.4	7.3	7.3	7.3
Building Code Enforcement	18.8	18.9	18.9	19.8	19.8	26.0	27.6	29.1	31.1	35.1
Economic and physical development										
Planning & Zoning Services	4.3	5.3	5.3	6.3	6.3	3.2	4.2	4.0	4.0	4.0
Agricultural Services	9.9	11.7	12.3	12.4	14.4	14.4	15.1	17.4	17.6	17.8
Soil & Water Conservation	1.0	1.5	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0
Human services										
Human Services Administration	-	-	-	-	-	-	-	54.9	55.3	54.9
Community Support & Outreach	-	-	-	-	-	32.9	35.5	40.0	38.3	38.7
Environmental Health	-	-	-	-	-	25.7	27.5	27.5	27.5	27.5
Public Health	90.1	90.4	90.4	95.7	94.4	72.8	89.0	70.3	83.0	83.8
Social Services	194.1	200.1	216.1	231.6	225.9	252.6	281.5	240.0	243.2	247.2
Transportation	34.6	34.6	36.0	37.0	60.0	35.7	36.4	35.1	35.8	34.4
Veterans Services	4.0	4.0	4.0	4.0	4.0	4.0	5.1	5.0	5.0	5.0
Cultural and recreational										
Library Services	53.8	54.0	54.0	54.0	55.0	53.7	53.9	57.0	59.8	64.8
Parks & Recreation	24.2	24.3	24.7	25.7	26.8	27.5	28.3	28.3	29.7	29.7
Sub-total	887	903	935	975	1,014	1,084	1,164	1,190	1,235.8	1,257.7
<b>Business-type activities:</b>										
Union County Water	84.80	88.0	93.9	99.9	116.5	129.4	143.8	153.4	160.7	175.1
Solid Waste	19.50	21.0	20.6	21.6	22.4	22.5	27.9	31.9	31.6	37.2
Stormwater	2.10	2.0	1.0	-	-	-	-	-	-	-
Sub-total	106	111	116	122	139	152	172	185	192.3	212.3
Total	994	1,014	1,051	1,096	1,153	1,236	1,335	1,375	1,428.1	1,470.0

Table 20

**Union County, North Carolina**  
**Operating Indicators by Function / Program**  
**Last Ten Fiscal Years**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Government:</b>										
Personnel										
Number of full-time employees	821	820	864	864	898	951	1,013	1,048	1,123	1,256
Number of part-time employees	66	83	72	98	106	157	159	123	82	187
Elections										
Number of registered voters	139,836	138,597	145,645	148,448	154,300	150,789	160,261	159,957	168,355	173,272
Information Systems (and GIS)										
Number of users in system	1,397	1,239	1,242	1,257	1,883	1,772	1,815	1,828	1,346	1,501
General Services										
Number of vehicle service requests	1,721	3,805	4,501	4,629	4,462	4,552	4,518	4,683	4,491	4,928
Fire Services										
Number of volunteer fire personnel	550	500	500	500	500	500	500	500	500	985
Number of inspections	2,136	1,196	1,106	906	1,172	1,798	1,375	1,079	2,448	2,587
Human services										
Public Health										
Number of patients	8,237	8,142	6,786	10,198	8,904	6,497	4,382	3,664	11,031	4,744
Number of visits	20,729	20,681	15,716	17,508	15,099	12,728	10,667	9,211	18,110	11,246
Social Services										
Number of client visits	49,722	48,786	47,064	53,125	58,693	58,803	44,275	50,589	46,354	19,976
Transportation and Nutrition										
Number of trips	84,533	77,784	74,176	75,342	69,402	79,674	1,417	67,437	71,335	75,784
Congregate, home delivered and supplemental meals	60,968	68,573	70,497	75,134	71,963	66,978	101,619	146,204	138,263	117,750
Veterans Services										
Number of visitors	3,479	3,598	3,652	3,576	3,556	3,628	3,048	1,956	2,072	2,293
Number of phone calls	12,564	11,734	12,166	11,047	11,215	12,472	12,464	11,336	9,652	11,157
Cultural and recreational										
Library										
Number of volumes	225,181	212,961	207,748	190,370	166,742	145,582	149,573	145,944	133,872	139,443
Education										
Number of licensed employees	3,117	2,928	N/A	2,976	2,603	3,111	3,117	2,873	2,819	2,786
Student Population:										
Number of UCPS students	42,047	41,266	41,780	42,000	41,500	41,300	41,395	41,500	41,200	41,278
Number of charter school students*	-	-	-	-	-	-	-	-	-	4,250
Number of virtual students*	-	-	-	-	-	-	-	-	-	157
Total student population	42,047	41,266	41,780	42,000	41,500	41,300	41,395	41,500	41,200	45,685
<b>Business-type Activities:</b>										
Personnel										
Number of full-time employees	100	100	109	107	126	137	155	167	183	203
Number of part-time employees	6	11	7	18	21	18	18	16	8	10
Water and Sewer										
Average daily consumption in gallons (in 000's)	11,740	12,460	13,100	13,880	13,870	14,160	14,228	14,206	15,020	15,140
Number of water service connections	43,828	45,095	46,236	47,489	49,363	50,509	51,961	53,537	55,315	56,789
Number of sewer service connections	31,596	32,688	33,631	34,711	36,402	37,319	38,834	40,169	41,742	43,002

Source: Various county departments

\*New data requested by the Board of County Commissioners for FY 2023 and beyond

Table 21

**Union County, North Carolina**  
**Capital Asset Statistics by Function / Program**  
**Last Ten Fiscal Years**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Government:</b>										
Tax Administration										
Number of tax parcels	109,941	110,998	113,574	118,525	117,378	118,431	125,580	133,457	127,632	108,877
Elections										
Number of precincts	52	52	52	52	52	52	52	52	52	52
Public safety										
Law Enforcement (and AC)										
Number of stations	8	8	8	8	8	8	8	8	8	8
Number of patrol units	N/A	N/A	332	335	278	284	299	299	307	313
Fire Services										
Number of stations-main	18	17	17	17	17	17	17	17	17	17
Number of stations-sub	7	8	8	8	8	8	8	8	8	9
Cultural and recreational										
Library										
Number of libraries	4	4	4	4	4	4	4	4	4	4
Parks and Recreation										
Number of parks	3	3	3	3	3	3	3	3	3	3
Number of acres in parks	1,290	1,290	1,290	1,290	1,290	1,290	1,290	1,290	1,290	1,290
Number of acres in lakes	350	350	350	350	350	350	350	350	350	350
Education										
Number of UCPS schools	53	53	53	53	53	53	53	53	53	53
Number of UCPS classrooms	1,902	1,902	N/A	2,379	2,075	2,084	2,084	2,084	2,084	2,084
<b>Business-type activities:</b>										
Water and Sewer										
Number of fire hydrants	4,638	4,736	4,843	4,964	5,041	5,096	5,189	5,279	5,528	5,677
Miles of water mains	993	1,020	1,043	1,065	1,082	1,095	1,114	1,132	1,119	1,141
Miles of sewer mains	620	640	663	684	698	708	727	741	736	758

Source: Various county departments

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# Compliance Section

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**Report of Independent Auditor on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

To the Board of County Commissioners  
Union County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Union County, North Carolina (the “County”), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements, and have issued our report thereon dated October 31, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County’s internal control over financial reporting (“internal control”) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control. Accordingly, we do not express an opinion on the effectiveness of the County’s internal control.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County’s financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, significant deficiencies or material weaknesses may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Cherry Bekaert LLP*

Charlotte, North Carolina  
October 31, 2023

**Report of Independent Auditor on Compliance for Each Major Federal Program and on Internal Control over Compliance in Accordance Required by the Uniform Guidance and the State Single Audit Implementation Act**

To the Board of County Commissioners  
Union County, North Carolina

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Union County, North Carolina's (the "County") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2023. The County's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and the State Single Audit Implementation Act. Our responsibilities under those standards, Uniform Guidance, and the State Single Audit Implementation Act are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities in accordance with the relevant requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and to express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with general accepted auditing standards, *Government Auditing Standards*, Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with general accepted auditing standards, *Government Auditing Standards*, Uniform Guidance, and the State Single Audit Implementation Act we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining on a test basis, evidence regarding the County's compliance with applicable compliance requirements and performing such other procedures as the auditor considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that the auditor identified during the audit.

### **Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State Single Audit Implementation Act and, accordingly, this report is not suitable for any other purpose.

*Cherry Bekaert LLP*

Charlotte, North Carolina  
October 31, 2023

## **Report of Independent Auditor on Compliance for Each Major State Program and on Internal Control over Compliance in Accordance with OMB Uniform Guidance and the State Single Audit Implementation Act**

To the Board of County Commissioners  
Union County, North Carolina

### **Report on Compliance for Each Major State Program**

#### ***Opinion on Each Major State Program***

We have audited Union County, North Carolina's (the "County") compliance with the types of compliance requirements identified as subject to audit in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County's major State programs for the year ended June 30, 2023. The County's major State programs are identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings and questioned costs.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2023.

#### ***Basis for Opinion on Each Major State Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"); and the State Single Audit Implementation Act. Our responsibilities under those standards, Uniform Guidance, and the State Single Audit Implementation Act are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities in accordance with the relevant requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the County's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the County's State programs.

#### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and to express an opinion on the County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, Uniform Guidance, and the State Single Audit Implementation Act will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of each major state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, Uniform Guidance, and the State Single Audit Implementation Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining on a test basis, evidence regarding the County's compliance with applicable compliance requirements and performing such other procedures as the auditor considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that the auditor identified during the audit.

### **Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the County's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and the State Single Audit Implementation Act and, accordingly, this report is not suitable for any other purpose.

*Cherry Bekaert LLP*

Charlotte, North Carolina  
October 31, 2023

**UNION COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

YEAR ENDED JUNE 30, 2023

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with U.S. GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?                    \_\_\_ yes             X  no
- Significant deficiency(ies) identified?            \_\_\_ yes             X  none reported

Noncompliance material to financial statements noted?

\_\_\_ yes             X  no

**Federal Awards**

Internal control over major federal programs:

- Material weakness(es) identified?                    \_\_\_ yes             X  no
- Significant deficiency(ies) identified?             X  yes            \_\_\_ none reported

Noncompliance material to federal awards?

\_\_\_ yes             X  no

Type of auditor’s report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

\_\_\_ yes             X  no

Identification of major federal programs:

**Federal Assistance Listing**

93.044, 93.045, 93.053  
 21.027

21.023  
 93.778

**Name of Federal Program or Cluster**

Aging Cluster  
 COVID-19: Coronavirus State and Local Fiscal Recovery Funds  
 COVID-19: Emergency Rental Assistance Program  
 Medical Assistance Cluster

Dollar threshold used to distinguish between Type A and Type B Programs:

\$ 1,365,846

Auditee qualified as low-risk auditee?

\_\_\_ yes             X  no



**UNION COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

YEAR ENDED JUNE 30, 2023

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**Section I – Summary of Auditor’s Results (continued)**

**State Awards**

Internal control over major state programs:

- Material weakness(es) identified?                     yes                     no
- Significant deficiency(ies) identified?                     yes                     none reported

Noncompliance material to state awards?                     yes                     no

Type of auditor’s report issued on compliance  
for major state programs:                    Unmodified

Any audit findings disclosed that are required  
to be reported in accordance with the State  
Single Audit Implementation Act                     yes                     no

Identification of major state programs:

- Program Name**  
Public School Building Capital Fund-Lottery Fund  
DSS Crosscutting

Other major State programs for Union County are Medical Assistance and Aging which is state matching funds on the federal program. Therefore, these programs have been included in the list of major federal programs above.

**Section II – Financial Statement Findings**

None reported.

**Section III – Federal Award Findings and Questioned Costs**

**U.S. Department of Health and Human Services**  
**Passed through Centralina Council of Governments**  
**Program Name: Aging Cluster**  
**Federal Assistance Listing Numbers: 93.044, 93.045, 93.053**

**Significant Deficiency – Eligibility**  
**Finding 2023-001**

**Criteria or Specific Requirement:** As required by Title 2, Section 200.303 of the U.S. Code of Federal Regulations, the County must establish and maintain effective internal control over federal awards to provide reasonable assurance that the County is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.

**Condition:** The County did not formally document their review of eligibility determinations of participants receiving Nutrition services.

**UNION COUNTY, NORTH CAROLINA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

*YEAR ENDED JUNE 30, 2023*

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**Section III – Federal Award Findings and Questioned Costs (continued)**

**Context:** A sample of 25 participants were tested, from three categories, including Adult Daycare/In-Home Aide, Transportation, and Nutrition, of which eight (8) of the participants in the sample received services for Nutrition. Of the eight (8) participants receiving Nutrition services in the sample, we noted no evidence of review of eligibility determination on all eight (8) participants. Documentation of the review process was provided for Adult Daycare/In-Home Aide and Transportation services.

**Effect:** Without documentation of proper review by individuals knowledgeable about the specific grant requirements, there is no evidence to support whether the reviews are being performed to demonstrate controls are in place.

**Cause:** Documentation was not maintained to support whether a review of the eligibility was performed.

**Recommendation:** We recommend the County design and implement additional controls to ensure the eligibility review process is being conducted.

**Views of Responsible Officials:** Management agrees with the finding and is implementing procedures to correct this which is further discussed in the corrective action plan.

**Corrective Action Plan:** See Corrective Action Plan prepared by the County.

**Section IV – State Award Findings and Questioned Costs**

Finding 2023-001 as listed in Section III *Federal Award Findings and Questioned Costs* is also considered to be a state award finding.

**Corrective Action Plan  
Union County Audit Findings  
June 30, 2023**

**Responsible Parties:**

**Janet Payne, Human Services Director  
Beverly Liles, Finance Director**

**Finding 2023-001, Senior Nutrition Aging Program - Significant Deficiency-Eligibility**

**Response/Corrective Action:**

In response to the errors cited, Union County Senior Nutrition program will update the internal controls and put into place two individuals to be involved in the eligibility process. Also, the Nutrition Program Manager will implement a quality assurance review process that will sample ten percent of the monthly assessments for eligibility compliance. The Quality Assurance team will provide a written report each quarter to the Senior Nutrition Program Manager and the Community Support and Outreach Division Director.

Union County will implement the Corrective Action Plan by December 1, 2023.

**UNION COUNTY, NORTH CAROLINA**  
**SUMMARY OF PRIOR YEAR FINDINGS**

Schedule 63

*YEAR ENDED JUNE 30, 2023*

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**Finding: 2022-001**

Status: Corrected

**Finding 2022-002**

Status: Corrected

**Finding: 2022-003**

Status: Corrected

Union County, North Carolina  
**Schedule of Expenditures of Federal and State Awards**  
 For the Year Ended June 30, 2023

**Schedule 64**

Grantor/Pass Through Grantor/Program Title	Federal Assistance Listing Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures	Local Expenditures	Total Expenditures	Passed-through to Subrecipients
<b>FEDERAL AWARDS:</b>							
<u>U.S. DEPARTMENT OF AGRICULTURE</u>							
Passed-through N.C. Department of Health and Human Services:							
Division of Social Services:							
Administration:							
<u>Supplemental Nutrition Assistance Program (SNAP) Cluster</u>							
SNAP - Cash Incentive Retention	10.561		\$ 2,325	\$ -	\$ -	2,325	\$ -
State Administrative Matching Grants for the SNAP Program	10.561		1,970,021	-	1,970,020	3,940,041	-
COVID-19: SNAP - ARPA	10.561		190,673	-	-	190,673	-
Total Passed-through N.C. Department of Health and Human Services: Food Stamp Cluster			<u>2,163,019</u>	<u>-</u>	<u>1,970,020</u>	<u>4,133,039</u>	<u>-</u>
Passed-through N.C. Department of Health and Human Services:							
Division of Public Health:							
Administration:							
Special Supplemental Nutrition Program for Women, Infants and Children-Client Services	10.557	13A2-5403-GC	72,117	-	125,154	197,271	-
Women, Infants and Children-Client Services	10.557	13A2-5403-GD	301,230	-	237,526	538,756	-
Women, Infants and Children-Nutrition Education	10.557	13A2-5404-GC	47,438	-	76,685	124,123	-
Women, Infants and Children-Nutrition Education	10.557	13A2-5404-GD	206,474	-	169,101	375,575	-
Women, Infants and Children-General Admin	10.557	13A2-5405-GC	12,619	-	19,207	31,826	-
Women, Infants and Children-General Admin	10.557	13A2-5405-GD	46,594	-	39,023	85,617	-
Women, Infants and Children-Breastfeeding Promotion and Support	10.557	13A2-5409-GC	3,929	-	6,504	10,433	-
Women, Infants and Children-Breastfeeding Promotion and Support	10.557	13A2-5409-GD	15,409	-	13,008	28,417	-
Women, Infants and Children-Breast Feeding Peer Counseling	10.557	13A2-570F-JQ	14,042	-	16,586	30,628	-
Women, Infants and Children-Breast Feeding Peer Counseling	10.557	13A2-570G-JQ	4,499	-	4,499	8,998	-
Total Passed-through N.C. Dept. of Health and Human Services: Division of Public Health			<u>724,352</u>	<u>-</u>	<u>707,293</u>	<u>1,431,644</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>2,887,371</u>	<u>-</u>	<u>2,677,313</u>	<u>5,564,683</u>	<u>-</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>							
Department of Housing and Urban Development							
Community Development Block Grant	14.218	B-20-UW-37-0004	98,004	-	-	98,004	92,215
Community Development Block Grant	14.218	B-20-UC-37-0004	1,545	-	-	1,545	1,545
Community Development Block Grant	14.218	B-21-UC-37-0004	95,477	-	-	95,477	117,230
Community Development Block Grant	14.218	B-22-UC-37-0004	324,595	-	-	324,595	302,842
Total U.S. Department of Housing and Urban Development			<u>519,621</u>	<u>-</u>	<u>-</u>	<u>519,621</u>	<u>513,832</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>							
Passed-through N. C. Department of Crime Control and Public Safety:							
Division of Emergency Management:							
Emergency Management Performance Grant	97.042	EMPG-2016-37179	80,907	-	452,157	533,064	-
Total U.S. Department of Homeland Security			<u>\$ 80,907</u>	<u>\$ -</u>	<u>\$ 452,157</u>	<u>\$ 533,064</u>	<u>\$ -</u>

Continued on next page.

Union County, North Carolina  
**Schedule of Expenditures of Federal and State Awards**  
 For the Year Ended June 30, 2023

**Schedule 64**  
 (Continued)

Grantor/Pass Through Grantor/Program Title	Federal Assistance Listing Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures	Local Expenditures	Total Expenditures	Passed-through to Subrecipients
FEDERAL AWARDS (CONTINUED):							
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>							
Federal Transit Administration:							
Passed-through N. C. Department of Transportation:							
Department of Transportation:							
COVID-19: Formula Grants for Rural Areas - CARES	20.509	20-CA-089 Operating	\$ 209,240	\$ -	\$ 154,305	\$ 363,545	\$ -
Formula Grants for Rural Areas	20.509	22-AP-089 Operating	136,853	-	136,853	273,706	-
Formula Grants for Rural Areas	20.509	23-CT-089 Admin	189,298	11,829	-	201,127	-
Metro Transportation Planning and State and Non-Metro Planning	20.505	22-08-102	95,697	11,960	122,021	229,678	-
Total N.C. Department of Transportation			<u>631,088</u>	<u>23,789</u>	<u>413,179</u>	<u>1,068,056</u>	<u>-</u>
Highway Safety Cluster:							
Governor's Highway Safety Program	20.600	PT-23-06-28	41,487	-	976,906	1,018,392	-
Governor's Highway Safety Program - Traffic Enforcement	20.600	PT-2022-06-19	48,588	-	-	48,588	-
Total Highway Safety Cluster			<u>90,075</u>	<u>-</u>	<u>976,906</u>	<u>1,066,980</u>	<u>-</u>
Transit Services Program Cluster:							
Enhanced Mobility of Seniors & Individuals with Disabilities	20.513		191,989	-	-	191,989	-
Total Transit Services Program Cluster:			<u>191,989</u>	<u>-</u>	<u>-</u>	<u>191,989</u>	<u>-</u>
Federal Transit Cluster:							
Federal Transit Formula Grants	20.507	21-CS-089 Operating	188,966	-	226,050	415,016	-
Federal Transit Formula Grants	20.507	21-CS-089 Capital	418,485	-	339,287	757,772	-
Federal Transit Formula Grants	20.507	22-LU-089 Capital	34,400	-	-	34,400	-
Federal Transit Formula Grants	20.507	22-LU-089 Operating	178,093	-	-	178,093	-
Total Federal Transit Cluster			<u>819,944</u>	<u>-</u>	<u>565,337</u>	<u>1,385,281</u>	<u>-</u>
Total U.S. Department of Transportation			<u>1,733,096</u>	<u>23,789</u>	<u>1,955,421</u>	<u>3,712,306</u>	<u>-</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>							
Administration of Aging:							
Division of Aging and Adult Services:							
Passed-through Centralina Council of Governments:							
National Family Caregiver Support							
Title III-E (Caregiver)	93.052		104,800	6,987	-	111,787	-
Total National Family Caregiver Support			<u>104,800</u>	<u>6,987</u>	<u>-</u>	<u>111,787</u>	<u>-</u>
Aging Cluster:							
Nutrition Services Incentive Program	93.053		34,792	-	-	34,792	-
Title III-B Support Services (Access)	93.044		99,045	77,879	181,375	358,299	-
Title III-B Support Services (In-Home)	93.044		82,767	654,365	112,443	849,575	-
Title III-C1 Congregate Nutrition	93.045		37,248	7,394	746,600	791,242	-
Title III-C2 Home Delivered Meals	93.045		94,240	46,098	-	140,338	-
COVID-19: ARPA Title III-B Support Services	93.044		49,544	8,743	-	58,287	-
COVID-19: ARPA Title III-C1 Congregate Nutrition	93.045		21,495	-	149,113	170,608	-
COVID-19: ARPA Title III-C2 Home Delivered Meals	93.045		138,991	-	-	138,991	-
Fan/Heat Program	NA		-	588	-	588	-
Total Aging Cluster			<u>\$558,122</u>	<u>\$795,067</u>	<u>\$1,189,532</u>	<u>\$2,542,721</u>	<u>-</u>

Continued on next page.

Union County, North Carolina  
**Schedule of Expenditures of Federal and State Awards**  
 For the Year Ended June 30, 2023

**Schedule 64**  
 (Continued)

Grantor/Pass Through Grantor/Program Title	Federal Assistance Listing Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures	Local Expenditures	Total Expenditures	Passed-through to Subrecipients
FEDERAL AWARDS (CONTINUED):							
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED)</u>							
Administration for Children and Families:							
Division of Social Services:							
Passed-through N.C. Department of Health and Human Services:							
Foster Care and Adoption Cluster:							
Title IV-E Foster Care Training	93.658		\$ 1,725	\$ -	\$ 575	\$ 2,300	\$ -
Title IV-E Foster Care Officer Training	93.658		419,615	-	419,615	839,230	-
IV-E Max Level III	93.658		196	-	69	265	-
IV-E Foster Care and Extend Max	93.658		27,655	835	835	29,324	-
IV-E Foster Care and Extend Reg	93.658		286,873	63,348	41,479	391,700	-
IV-E Admin County Paid to CCI	93.658		85,191	42,595	42,595	170,381	-
IV-E Family Foster Care Max	93.658		4,422	-	1,623	6,046	-
IV-E Child Protective Services	93.658		134,837	88,449	46,388	269,675	-
Title IV-E Foster Care Officer Training - ADO	93.659		9,305	-	9,305	18,609	-
Title IV-E Optional Adoption Training	93.659		1,091	-	1,091	2,182	-
Total Foster Care and Adoption Cluster			970,909	195,227	563,576	1,729,712	-
Temporary Assistance for Needy Families (TANF) Cluster:							
Adoption/Foster Care	93.558		86,910	-	-	86,910	-
Special Children Adoption	93.558		-	204,317	-	204,317	-
TANF Administration	93.558		292,650	-	-	292,650	-
TANF Services	93.558		1,011,649	-	-	1,011,649	-
Work First Administration	93.558		-	-	390,473	390,473	-
Work First Service	93.558		-	-	962,688	962,688	-
Total TANF Cluster			1,391,208	204,317	1,353,161	2,948,686	-
Family Preservation	93.556		36,744	-	-	36,744	-
NC Child Support Enforcement	93.563		1,040,646	-	427,247	1,467,893	-
Refugee Assistance Administration	93.566		46,851	-	-	46,851	-
Child Welfare Services:							
Permanency Planning-Regular	93.778		7,411	-	2,444	9,855	-
Permanency Planning-Special	93.645		44,736	-	7,962	52,697	-
LINKS	93.674		4,375	1,094	-	5,469	-
LINKS-Independent Living/Transitional Funds	93.674		38,826	9,706	-	48,532	-
Administration	93.568		367,780	-	-	367,780	-
Crisis Intervention Program	93.568		226,927	-	-	226,927	-
COVID-19: ARPA Administration	93.568		(83,910)	-	-	(83,910)	-
COVID-19: ARPA	93.568		11,187	-	(11,033)	154	-
Administration	93.568		89,537	-	689	90,226	-
Water Assistance Payments-Direct Benefit Payments	93.568		105,060	-	-	105,060	-

Continued on next page.

Union County, North Carolina  
**Schedule of Expenditures of Federal and State Awards**  
For the Year Ended June 30, 2023

**Schedule 64**  
(Continued)

Grantor/Pass Through Grantor/Program Title	Federal Assistance Listing Number	State/Pass-Through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures	Local Expenditures	Total Expenditures	Passed-through to Subrecipients
FEDERAL AWARDS (CONTINUED):							
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED)</b>							
SSBG - In Home Services Fund	93.667		\$ 2,718	\$ -	\$ 388	\$ 3,106	\$ -
SSBG - Adult Day Care Over 60	93.667		35,949	44,971	11,560	92,480	-
SSBG - Adult Day Care Professional Services	93.667		30,243	-	6,090	36,332	-
SSBG - Adult Protective Services	N/A		-	-	91,176	91,176	-
SSBG - Adult Protective Services Essential Services	93.747		597	-	-	597	-
COVID-19: SSBG - Adult Protective Services Essential Services ARPA	93.747		1,342	-	-	1,342	-
SSBG - Federal Child Protective Services	93.667		36	-	12	49	-
SSBG - Other Services and Training	93.667		410,371	-	134,245	544,616	-
Total Division of Social Services			4,779,543	455,314	2,587,516	7,822,374	-
Subsidized Child Care Cluster:							
Child Care Development Fund Cluster:							
Child Care Development Fund-Administration	93.596		208,044	-	-	208,044	-
Total Subsidized Child Care Cluster			208,044	-	-	208,044	-
Total Administration for Children and Families			4,987,587	455,314	2,587,516	8,030,418	-
Food and Drug Administration:							
Flexible Funding Model - Infrastructure Development	93.367		5,435	-	-	5,435	-
Total Food and Drug Administration			5,435	-	-	5,435	-
Centers for Medicare and Medicaid Services:							
Passed-through N.C. Department of Health and Human Services:							
Division of Social Services:							
Administration:							
Adult Care Home Case Management/Special	93.778		64,037	13,959	50,077	128,074	-
State/County Special Assistance	93.778		70,150	-	38,462	108,612	-
Medical Assistance Administration	93.778		1,116,681	-	1,116,681	2,233,361	-
Medical Transportation Administration	93.778		2,339,110	-	817,026	3,156,135	-
MAC CORD / TRANSP	93.778		46,593	-	46,593	93,187	-
MAC APS/OUTR	93.778		28	-	28	56	-
MAC APS	93.778		8,485	-	8,485	16,970	-
State Children's Insurance Program-N.C. Health Choice (Note 3)	93.767		159,537	8,434	28,515	196,486	-
Total Division of Social Services			3,804,622	22,394	2,105,866	5,932,882	-
Division of Health Benefits:							
Medical Assistance Program	93.778		185,928	92,075	-	278,003	-
Medical Assistance Program	93.778		4,842	2,398	-	7,239	-
Total Division of Health Benefits			190,770	94,472	-	285,242	-
Total Centers for Medicare and Medicaid Services			\$ 3,995,391	\$ 116,866	\$ 2,105,866	\$ 6,218,124	\$ -

Continued on next page.



Union County, North Carolina  
**Schedule of Expenditures of Federal and State Awards**  
For the Year Ended June 30, 2023

**Schedule 64**  
(Continued)

Grantor/Pass Through Grantor/Program Title	Federal Assistance Listing Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures	Local Expenditures	Total Expenditures	Passed-through to Subrecipients
<b>FEDERAL AWARDS (CONTINUED):</b>							
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED)</u></b>							
Centers for Disease Control (Continued)							
Passed-through N.C. Department of Health and Human Services:							
Division of Public Health:							
COVID-19: Epidemiology & Laboratory Capacity Enhancing Detection	93.323	1175-883A-P5	\$ 720,272	\$ -	\$ 808,836	\$ 1,529,109	\$ -
Public Health Emergency Preparedness	93.069	1264-2679-EU	51,543	-	47,248	98,791	-
Tuberculosis Control Program	93.116	1460-2720-NF	21	-	50	71	-
TB Elimination and Laboratory Project	93.116	1460-UK77-NF	30,451	-	30,451	60,902	-
Breast & Cervical Cancer Control Program	93.898	1320-3100-D7	9,500	-	9,825	19,325	-
STD Prevention	93.977	1311-4631-NB	100	-	100	200	-
Health Communities Activities	93.991	1261-5503-PH	27,260	-	30,608	57,868	-
COVID-19: CDC COVID-19 Vaccination Program	93.268	1331-6315-LD	7,511	-	7,511	15,022	-
Immunization Action Plan	93.268	1331-631D-EJ	37,236	-	37,236	74,472	-
COVID-19: ARPA SH Team Workforce	93.354	1332-535A-YM	261,457	-	261,457	522,914	-
Total Centers for Disease Control			<u>1,145,351</u>	<u>-</u>	<u>1,233,323</u>	<u>2,378,674</u>	<u>-</u>
Health Resources and Services Administration:							
Passed-through N.C. Department of Health and Human Services:							
Division of Public Health:							
Family Planning Services Title X	93.217	13A1-5900-FP	66,339	-	65,383	131,721	-
TANF-Family Planning (TANF Cluster)	93.558	13A1-5151-T2	16,142	-	16,141	32,283	-
NC Family Planning Program	93.994	13A1-5735-AP	19,206	-	19,197	38,403	-
Maternal Health	93.994	13A1-5740-AP	26,632	-	26,632	53,264	-
Care Coordination for Children - Maternal and Child Health	93.994	1271-5318-AR	32,691	-	33,625	66,316	-
Child Health - Maternal and Child Health	93.994	1271-5745-AR	44,005	-	45,364	89,369	-
Child Fatality Prevention	93.994	1271-5351-AR	1,472	-	1,472	2,944	-
Total Health Resources and Services Administration			<u>206,487</u>	<u>-</u>	<u>207,814</u>	<u>414,301</u>	<u>-</u>
Total U. S. Department of Health and Human Services			<u>11,003,174</u>	<u>1,374,234</u>	<u>7,324,051</u>	<u>19,701,459</u>	<u>-</u>
<b><u>U.S. DEPARTMENT OF THE TREASURY</u></b>							
U.S. Department of the Treasury							
COVID-19: Emergency Rental Assistance (ERA1)	21.023	ERA-2101060163	918,184	-	918,184	1,836,368	-
COVID-19: Emergency Rental Assistance (ERA2)	21.023	ERA2-0293	3,325,984	-	3,325,984	6,651,968	-
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.027		18,600,971	-	18,591,371	37,192,342	-
Total Federal Direct Emergency Rental Assistance			<u>22,845,139</u>	<u>-</u>	<u>22,835,539</u>	<u>45,680,678</u>	<u>-</u>
Passed-through NC Office of Management and Budget, NC Pandemic Recovery Office:							
COVID-19: Coronavirus State and Local Fiscal Recovery Funds	21.023	ERA2-2022-0010-1	1,769,877	-	-	1,769,877	-
Total Passed-through NC Office of Management and Budget, NC Pandemic Recovery Office			<u>1,769,877</u>	<u>-</u>	<u>-</u>	<u>1,769,877</u>	<u>-</u>
Passed-through NC Department of Environmental Quality, Division of Water Infrastructure:							
COVID-19: Coronavirus State and Local Fiscal Recovery Funds							
Water Resources Development Grant Program	21.027	SRP-W-ARP-0103	4,689,006	-	-	4,689,006	-
Total Passed-through NC Department of Environmental Quality, Division of Water Infrastructure			<u>4,689,006</u>	<u>-</u>	<u>-</u>	<u>4,689,006</u>	<u>-</u>
Total U.S. Department of the Treasury			<u>29,304,022</u>	<u>-</u>	<u>22,835,539</u>	<u>52,139,561</u>	<u>-</u>
<b>TOTAL FEDERAL AWARDS</b>			<u>\$ 45,528,190</u>	<u>\$ 1,398,023</u>	<u>\$ 35,244,481</u>	<u>\$ 82,170,694</u>	<u>\$ 513,832</u>

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Union County, North Carolina  
**Schedule of Expenditures of Federal and State Awards**  
For the Year Ended June 30, 2023

**Schedule 64**  
(Continued)

Grantor/Pass Through Grantor/Program Title	Federal Assistance Listing Number	State/Pass-Through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures	Local Expenditures	Total Expenditures	Passed-through to Subrecipients
<b>STATE AWARDS:</b>							
<u>N.C. DEPARTMENT OF ENVIRONMENTAL QUALITY</u>							
Division of Water Resources							
Walden Pond Lake	N/A	CW26717	\$ -	\$ 16,460	\$ -	\$ 16,460	\$ -
Total Division of Water Resources			-	16,460	-	16,460	-
Total N.C. Department of Environmental Quality			-	16,460	-	16,460	-
<u>N.C. DEPARTMENT OF NATURAL AND CULTURAL RESOURCES</u>							
Division of State Library:							
LSTA Bright Ideas	N/A	NC-21-535	-	15,000	-	15,000	-
State Aid to Public Libraries	N/A		-	211,384	-	211,384	-
State Fiscal Recovery Funds	N/A	24754	-	120,545	-	120,545	-
Total N.C. Department of Natural and Cultural Resources			-	346,929	-	346,929	-
<u>N.C. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>							
Passed-through North Carolina Partnership for Children, Incorporated							
Department of Social Services	N/A		-	137,137	-	137,137	-
Health	N/A		-	146,514	-	146,514	-
Library	N/A		-	-	-	-	-
Total Passed-through North Carolina Partnership for Children, Incorporated			-	283,651	-	283,651	-
Division of Social Services Programs:							
DCD Smart Start	N/A		-	218,389	-	218,389	-
Share the Warmth	N/A		-	6,917	-	6,917	-
Child Protective Services	N/A		-	19,540	-	19,540	-
Child Welfare State In-Home Expense	N/A		-	68,758	-	68,758	-
County Funded	N/A		-	-	8,062,715	8,062,715	-
Extended Foster Care Max Non IV-E	N/A		-	36,798	-	36,798	-
Work First Non-Reimbursable	N/A		-	-	464	464	-
Foster Care At Risk Maximization	N/A		-	5,079	1,849	6,927	-
State Foster Home Fund Maximization	N/A		-	23,383	23,383	46,767	-
State Foster Home	N/A		-	91,444	91,444	182,887	-
Total Division of Social Services			\$ -	\$ 470,308	\$ 8,179,854	\$ 8,650,162	\$ -

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Union County, North Carolina  
**Schedule of Expenditures of Federal and State Awards**  
 For the Year Ended June 30, 2023

**Schedule 64**  
 (Continued)

Grantor/Pass Through Grantor/Program Title	Federal Assistance Listing Number	State/ Pass-Through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures	Local Expenditures	Total Expenditures	Passed-through to Subrecipients
STATE AWARDS (CONTINUED):							
<u>N.C. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED)</u>							
Division of Public Health:							
Aid to Counties-Health Administration	N/A	1161-4110-00	\$ -	\$ 101,423	\$ 101,423	\$ 202,846	\$ -
Breast & Cervical Cancer Control Program	N/A	1320-5599-00	-	8,375	6,750	15,125	-
Child Health	N/A	1271-5351-00	-	2,214	2,214	4,428	-
Child Health	N/A	1271-5745-00	-	(855)	-	(855)	-
General Communicable Disease Control	N/A	1175-4510-00	-	7,418	7,416	14,834	-
HIV/STD State	N/A	1311-4536-RR	-	10,001	10,000	20,001	-
HIV/STD State	N/A	1311-4536-BN	-	2,500	2,500	5,000	-
HIV/STD State	N/A	1311-4601-BN	-	23	23	46	-
STD Drugs	N/A	1311-4601-RQ	-	(5)	-	(5)	-
STD Drugs	N/A	1311-4601-RR	-	427	427	854	-
Environmental Health	N/A	1153-47512-SZ	-	60,185	-	60,185	-
Communicable Disease Pandemic Recovery	N/A	2SF1-249N-TT	-	71,924	73,784	145,708	-
Maternal Health	N/A	1161-4301-00	-	400	-	400	-
Healthy Mothers Healthy Children	N/A	13A1-5735-00	-	19,925	19,924	39,849	-
NC Family Planning Program	N/A	13A1-5735-AP	-	7	-	7	-
Maternal Health	N/A	13A1-5740-00	-	12,984	12,984	25,968	-
High Risk Maternity Clinics	N/A	13A1-5746-00	-	60,294	60,923	121,217	-
Care Management for High Risk Pregnancies	N/A	13A1-5107-00	-	40,677	40,677	81,354	-
Healthy Communities Activity	N/A	1261-5503-00	-	352	3,746	4,098	-
School Nurse Funding Initiative	N/A	1332-5358-00	-	50,000	50,000	100,000	-
Tuberculosis Medical Services	N/A	1460-4554-00	-	947	1,033	1,980	-
Tuberculosis Medical Services	N/A	1460-4551-00	-	3,493	3,810	7,303	-
Women's Health Service Fund	N/A	13A1-6021-FR	-	14,057	14,056	28,113	-
Total Division of Public Health			-	466,764	411,690	878,453	-
Total N.C. Department of Health and Human Services			-	1,220,722	8,591,544	9,812,266	-
<u>N.C. DEPARTMENT OF PUBLIC INSTRUCTION</u>							
Public School Building Capital Fund-Lottery Fund	N/A		-	2,888,313	-	2,888,313	-
Total N.C. Department of Public Instruction			\$ -	\$ 2,888,313	\$ -	\$ 2,888,313	\$ -

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Union County, North Carolina  
**Schedule of Expenditures of Federal and State Awards**  
For the Year Ended June 30, 2023

**Schedule 64**  
(Continued)

Grantor/Pass Through Grantor/Program Title	Federal Assistance Listing Number	State/Pass-Through Grantor's Number	Federal (Direct and Pass-Through) Expenditures	State Expenditures	Local Expenditures	Total Expenditures	Passed-through to Subrecipients
STATE AWARDS (CONTINUED):							
<u>N.C. DEPARTMENT OF PUBLIC SAFETY</u>							
Division of Juvenile Justice - Community Programs Section							
Administration	N/A	490-xxxx		\$ 1,000		\$ 1,000	\$ 1,000
Get Hired - Youth Employability Program	N/A	590-23364	-	37,820	-	37,820	37,820
SHIFT Mentoring	N/A	490-22339	-	52,933	-	52,933	52,933
SHIFT Restitution and Community Service	N/A	490-22625	-	85,467	-	85,467	85,467
D-A-S-H Restorative Justice	N/A	590-23288	-	-	-	-	-
D-A-S-H Strengthening Families	N/A	490-22991	-	32,423	-	32,423	32,423
D-A-S-H Counseling Services	N/A	590-23493	-	142,913	-	142,913	142,913
Union County Teen Court Program	N/A	590-23359	-	75,103	-	75,103	75,103
Kids at Work Program			-	47,859	-	47,859	47,859
Total Division of Juvenile Justice - Community Programs Section			-	475,518	-	475,518	475,518
Total Department of Public Safety			-	475,518	-	475,518	475,518
<u>N.C. DEPARTMENT OF TRANSPORTATION</u>							
Rural Operating Assistance Program (ROAP)							
ROAP Elderly and Disabled Transportation Assistance Program	N/A	DOT-16CL	-	123,236	-	123,236	-
ROAP Rural General Public Program	N/A	DOT-16CL	-	107,071	-	107,071	-
ROAP - Employment	N/A	DOT-16CL	-	56,090	-	56,090	-
Total N.C. Department of Transportation			-	286,397	-	286,397	-
<u>N.C. DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES</u>							
Division of Soil and Water Conservation:							
Agricultural Development and Farmland Preservation	N/A	22-027-4002	-	234,999	235,000	469,999	-
Streamflow Rehabilitation Assistance Program	N/A	22-080-4143	-	104,156	-	104,156	-
Total N.C. Department of Natural Resources and Cultural Resources			-	339,155	235,000	574,155	-
<u>N.C. DEPARTMENT OF ADMINISTRATION</u>							
Veteran's Service	N/A		-	2,083	-	2,083	-
Total N.C. Department of Administration			-	2,083	-	2,083	-
<u>N.C. OFFICE OF STATE BUDGET MANAGEMENT</u>							
State Directed Grants							
Behavioral Health Services - Cameron's House of Hope	N/A	20891	-	6,961	-	6,961	6,961
Sheriff Capital Infrastructure	N/A	20892	-	136,062	136,062	272,124	-
Total N.C. Office of State Budget and Management			-	143,023	136,062	279,085	6,961
<b>TOTAL STATE AWARDS</b>			-	5,718,601	8,962,606	14,681,207	482,479
<b>TOTAL FEDERAL, STATE AND LOCAL AWARDS</b>			\$ 45,528,190	\$ 7,116,625	\$ 44,207,087	\$ 96,851,902	\$ 996,311

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**Notes to the Schedule of Expenditures of Federal and State Financial Awards:**

1. Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Union County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2023. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Union County it is not intended to and does not present the financial position, changes in net position or cash flows of Union County.

2. Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

Union County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.